Comprehensive Annual Financial Report

1999

Year Ended

September 30, 1999

Government of the District of Columbia
Office of the Chief Financial Officer

ANTHONY A. WILLIAMS
MAYOR

April 2000

Dear Citizens of the District of Columbia:

I am pleased to present the District of Columbia's Fiscal Year 1999 Comprehensive Annual Financial Report. The District ended Fiscal Year 1999 with General Fund revenues exceeding expenses by $86.4 million, and once again we are pleased to report that our audit opinion is unqualified.

This good news continues the new spirit of optimism felt throughout the city. The District's downtown area is truly evolving into a great American center city. The MCI arena, and the explosion of new restaurants and shops are dramatically changing the downtown landscape. Moreover, the recent groundbreaking for Gallery Place, which will include town homes, retail shops, and twenty-six movie theaters, will continue our strong position as a center for tourism and entertainment. Gallery Place will be financed, in part, through the sale of bonds backed by the city's new tax increment financing program. More importantly, our population decline has abated, houses are selling at a record pace, and our neighborhoods are showing new signs of life. For example, east of the Anacostia River, there are more than 2,000 new homes planned.

The District has come a long way, but we still have financial challenges ahead and must continue to exercise fiscal responsibility and diligence. We must be equally diligent about our goals to deliver world-class services and an excellent quality of life to our citizens, especially our children. It is important for the stability and future of our city that we invest our resources in improving their future. My administration is strongly committed to this objective, which is why my FY 2001 budget request places such an emphasis on schools.

With your continued help and support, we will continue to make noteworthy strides to accomplish our goals.

Sincerely,

Anthony A. Williams
Mayor

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Chief Financial Officer

Valerie Holt
Chief Financial Officer

April, 2000

The Honorable Anthony A. Williams
Mayor of the District of Columbia
441 4th Street, N.W.
Washington, D.C. 20001

Dear Mayor Williams:

I am pleased to present the District of Columbia's Fiscal Year 1999 Comprehensive Annual Financial Report. The District of Columbia ended Fiscal Year 1999 with General Fund revenues exceeding expenses by $86.4 million and again received an unqualified opinion. The District's General Fund balance at the close of FY 1999 now stands at $198.9 million.

The District's good news does not stop with the healthy bottom line and clean opinion. For the first time ever, the District set aside $35 million to reduce its long-term debt burden. The District exceeded its budget proposal to set aside $30 million for reduction of the city's debt. Also, for the first time, the District has achieved another important measure of a fiscally sound government. The District's General Fund balance for FY 1999 is $198.9 million. This amount is more than 4% of the projected General Fund expenditures for fiscal year 2000.

In looking to the future, the District's financial recovery is sustainable. Against the backdrop of a strong national and regional economy, our forecast is for sustained growth, although at rates slightly below the previous two banner years. The District also is on target to finish fiscal year 2000 with a balanced budget. We are well positioned to focus on broader-based goals, including the expansion of the economy and improving service delivery. The District's Fiscal Year 2000 Budget and Multi-year Financial Plan are a major step toward a more competitive government with tax and economic policies supporting our need to attract new residents and businesses.

While the strong economy has contributed to our excellent fiscal results, the District must continue to maintain its disciplined spending practices. We have re-established our credibility in the financial markets with improved and more reliable financial reporting and forecasting. We can now move forward with some key initiatives, such as managed competition and performance-based budgeting. More importantly, our financial position

supports the transition of the District's present control structure to one of more traditional government operations.

We are pleased to report that the District has received investment grade ratings from all of the rating agencies. The upgrades were received in time to support the city's largest bond transaction last summer. The District issued $685.7 million in general obligation refunding bonds and $241.2 million in general obligation bonds. The restructuring provides the District with more level debt service costs over the next several years and supports the city's tax reduction plan.

In closing, I would like to commend the hundreds of financial staff who spent thousands of hours learning about and implementing our new System of Accounting and Reporting (SOAR). The finance staff is also working to implement the Integrated Tax System (ITS) and to complete implementation of the Comprehensive Automated Personnel Payroll System (CAPPS). They worked diligently on their efforts while staying focused on financial and customer service goals.

I look forward to continue working with you to prudently manage our fiscal resources while supporting improved service delivery, and economic opportunity and development.

Sincerely,

Valerie Holt
Chief Financial Officer

Introductory Section

Table of Contents

Letter of Transmittal

Organizational Chart

List of Principal Officials

1999

Government of the District of Columbia
Office of the Chief Financial Officer

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended September 30, 1999

Table of Contents

Exhibit	Description	Page
	INTRODUCTORY SECTION	
	Table of Contents	1
	Letter of Transmittal	3
	Organization Chart	14
	Principal Officials	15
	Certificate of Achievement for Excellence in Financial Reporting	16
	FINANCIAL SECTION	
	General Purpose Financial Statements	17
	Independent Auditors' Report	19
1	Combined Balance Sheet – All Fund Types, Account Groups and Discretely Presented Component Units	23
2	Combined Statement of Revenues, Expenditures and Changes in Fund Balances – All Governmental Fund Types and Expendable Trust Funds	25
3	Statement of Revenues, Expenditures and Reconciliation of Budgetary Basis with GAAP Basis – General Fund	26
4	Combined Statement of Revenues, Expenses and Changes in Retained Earnings/Fund Balances – All Proprietary Fund Types and Discretely Presented Component Units	27
5	Combined Statement of Cash Flows – All Proprietary Funds and Discretely Presented Component Units	28
6	Statement of changes in Plan Net Assets – Pension Trust Funds	30
	Notes to the Financial Statements	31
	Combining and Individual Fund Statements and Schedules	
	General Fund	61
A-1	Comparative Balance Sheets	62
A-2	Comparative Statements of Revenues, Expenditures and Changes in Fund Balances	63
A-3	Schedule of Expenditures and Uses – Function and Object (GAAP Basis)	64
A-4	Schedule of Local Source Revenues – Budget and Actual (Budgetary Basis)	65
A-5	Schedule of Revenues and Expenditures by Source of Funds	66
A-6	Schedule of Budgetary Basis Revenues and Expenditures	67
	Special Revenue Fund	69
B-1	Comparative Balance Sheets	70
B-2	Comparative Statements of Revenues, Expenditures and Changes in Fund Balances	71
	Capital Projects Fund	73
C-1	Comparative Balance Sheets	74
C-2	Comparative Statements of Revenues, Expenditures and Changes in Fund Balances	75
C-3	Schedule of Construction in Progress	76
	Enterprise Fund	77
D-1	Comparative Balance Sheets	78
D-2	Comparative Statements of Revenues, Expenses and Changes in Retained Earnings	79
D-3	Comparative Statements of Cash Flows	80
	Trust and Agency Funds	81
E-1	Combining Balance Sheet	82

Table of Contents

Exhibit	Description	Page
E-2	Comparative Statements of Revenues, Expenditures and Changes in Fund Balances – Unemployment Compensation Expendable Trust Fund	83
E-3	Combining Statement of Plan Net Assets – Pension Trust Funds	84
E-4	Combining Statement of Changes in Plan Net Assets – Pension Trust Funds	85
E-5	Combining Statement of Changes in Assets – Financial Responsibility Authority Agency Funds	86
E-6	Combining Statement of Changes in Assets and Liabilities – District Agency Funds	87
	Discretely Presented Component Units	89
F-1	Combining Balance Sheet	90
F-2	Combining Statement of Revenues, Expenses and Changes in Retained Earnings	91
F-3	Combining Statement of Cash Flows	92
	Supporting Schedules	93
G-1	Combined Schedule of Revenues and Budgetary Basis Expenditures	94
G-2	Combined Schedule of Budgetary Basis Operations by Source of Funds	96
G-3	Combined Schedule of Budget Revisions	98
G-4	Combining Schedule of Financial Operation – Financial Reporting Entity	100
G-5	Comparative Schedules of Financial Activity – Financial Reporting Entity	101
G-6	Comparative Schedules of Cash Flows – General Fund	102
	STATISTICAL SECTION	
S-1	General Fund Revenues by Source	103
S-2	General Fund Expenditures and Uses by Function	103
S-3	General Fund Tax Revenues by Source	104
S-4	General Fund Current Expenditures by Object	104
S-5	Real Property Tax Levies and Collections	105
S-6	Major Tax Rates	105
S-7	Assessed Value, Construction and Bank Deposits	106
S-8	Ten Highest Assessed Values for Tax Exempt Properties	106
S-9	Ten Highest Assessed Values for Commercial Properties	107
S-10	Ten Highest Assessed Values for Residential Properties	107
S-11	Computation of Legal Debt Limitation	108
S-12	Percent of Debt to Assessed Value and Debt per Capita	108
S-13	Percent of Debt Service to General Fund Expenditures	109
S-14	Demographic Statistics	109
S-15	Miscellaneous Statistics	110
	Chart of General Fund Expenditures by Fiscal Year	111

DISTRICT OF COLUMBIA

OFFICE OF FINANCIAL OPERATIONS AND SYSTEMS

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April 28, 2000

Ms. Valerie Holt
Chief Financial Officer

Management Responsibility

The comprehensive annual financial report of the District of Columbia for the fiscal year ended September 30, 1999, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of my knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. This report includes all disclosures necessary to enable the reader to gain an understanding of the District's financial activities.

Report Sections

The comprehensive annual financial report is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, the District's organizational chart, a list of principal officials and the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting. The financial section includes the general purpose financial statements, the combining and individual fund statements and schedules, and the independent auditor's report on the financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multiyear basis.

Financial Reporting Entity

A financial reporting entity consists of a primary government and its component units. The primary government is the District, which consists of all the organizations that make up its legal entity. The District of Columbia Financial Responsibility and Management Assistance Authority (Financial Responsibility Authority) is presented as a blended component unit, as required by generally accepted accounting principles (GAAP).

The Public Benefit Corporation, Water and Sewer Authority, Convention Center, Sports Commission, Housing Finance Authority and University are legally separate organizations for which the elected officials of the District are financially accountable. The financial data of these component units are reported separately from the financial data of the primary government.

The District of Columbia Housing Authority is a legally separate organization for which the District is not accountable until it begins to appoint a voting majority of the board after receivership terminates. The Housing Authority was placed into receivership by order of the Superior Court of the District of Columbia on May 19, 1995. Transactions between the Housing Authority and the District are presented in the notes to the financial statements.

The Washington Metropolitan Area Transit Authority is a legally separate organization that is owned, operated and governed by Maryland, Virginia and the District as a joint venture in which the participants retain an ongoing financial responsibility. Transactions between the Transit Authority and the District are presented in the notes to the financial statements.

Economic Condition and Outlook

As the nation's capital, the District of Columbia is the seat of the three branches of the federal government and headquarters for most federal departments and agencies. The federal work force in the District averaged 181,000 employees in 1998 while an additional 142,000 federal employees worked elsewhere in the metropolitan area. This represents a 2% decrease in the federal work force in the District since 1996. Although both the District and the federal governments employed fewer people this year, the economy of the District has expanded.

In addition to its role as the nation's capital, the District is host to foreign embassies and recognized diplomatic missions from 166 nations. A number of international organizations have their headquarters in the District, including the International Monetary Fund, the World Bank, the World Health Organizations, the Inter-American Development Bank, and the Organization of American States.

More than 400 museums and historical landmarks attract millions of visitors to Washington, D.C. each year. Among the more popular attractions are the White House, the U.S. Capitol, the Smithsonian Institution, and the monuments and memorials to presidents Washington, Lincoln, Jefferson, and Franklin Delano Roosevelt. The African-American Civil War Memorial is the most recent addition to the war memorials, joining those dedicated to veterans of Vietnam and Korea. Our visitors also toured the National Archives, the Frederick Douglas National Historic Site, the U.S. Holocaust Museum, the John F. Kennedy Center for the Performing Arts, and the National Gallery of Art.

In 1998, approximately 21.2 million people visited the Washington, D.C. area and spent a total of $5.91 billion for lodging, meals, retail purchases and services. This direct visitor spending generated an additional $3.78 billion in indirect local economic growth in the form of jobs in related industries, wages and tax revenues. The total economic impact of the tourism/hospitality industry in 1997 was $9.69 billion, supporting 260,800 jobs for the region and 122,695 for the District of Columbia. The District's share of the total visitor spending was $4.23 billion.

The Washington metropolitan area has developed into a diverse economic entity with the technology industry overtaking the federal government employment as the base. Significant expansion in services, aerospace, high-speed Internet technology and communications provide many employment opportunities and the region has developed into a site for many corporate headquarters. The District is home to several major institutions of higher learning, including Catholic, Gallaudet, Georgetown, George Washington, Howard, and the American Universities. The District has 18 acute and long-term care facilities, including the Children's Hospital National Medical Center, District of Columbia Health and Hospitals Public Benefit Corporation, St. Elizabeth Hospital, the Walter Reed Army Medical Center, and several university hospitals. The Washington Hospital Center operates a regional shock and trauma center. The headquarters of more than 2,500 national trade associations, voluntary societies and labor organizations are also located in the District.

Total employment in the District increased to 616,400 in 1999 from 611,000 in 1998. The government portion of District jobs decreased during the same period, suggesting that the majority of new jobs occurred in the private sector. Private sector employment in 1998 increased slightly in the areas of services (44.5%) and finance, insurance, and real estate (4.7%). Compared to 1997, the proportion of private sector jobs in wholesale/ retail (7.8%) and in transportation and public utilities (2.6%) decreased in 1998. The proportion of construction and manufacturing jobs remained the same (3.6%).

Total employment in the metropolitan area was 2,559,000 in 1998 and 2,519,000 in 1997. Because this number excludes self-employed, domestic workers, military, and foreign government personnel, it excludes significant portions of the actual work force employed in the region. District employment stayed at approximately 24% of the area total. The September 1999 unemployment rate in the District was 6.1% compared to 8.5% in September 1998. The national unemployment rate was 4.2% in September 1999 and 4.4% in September 1998.

Per capita personal income in the District was $38,721 in 1999 and $36,248 in 1998, compared to $26,412 and $25,598, respectively, for the United States. The relatively high per capita and household incomes in the District result from a combination of factors, including multiple-earner households, small household size (holding steady at 2.2 in

1998), and a large percentage of college graduates concentrated in highly skilled occupations. The District has a significant number of lower income residents with 24% of the population in poverty according to a 1996 census report and 26% of the population receiving Medicaid benefits in 1997. Food stamp program participation covered 85,000 persons in 1998, or 16.2% of the population, and approximately 39,000 households. The National School Lunch program covered 51,000 students in 1997.

The District population continued to decline in 1999 to 519,000; however, there is optimism that the city's long decline in population will level off. The rate of decline is expected to reverse and begin increasing again in 2001. Census data indicated a 16% population decrease between 1970 and 1980, and an additional 5% between 1980 and 1990. The population less than 20 years of age represented 76% of the decline between 1970 and 1990. Adults over 64 years of age increased by 5% over that same 20-year period. Population estimates since 1990 indicate a continuing decline in total population about 1.7% per year, although the decline in 1999 was only 1.3%.

The anticipated increase in total employment marks an important milestone in the District's shift to an economy that is stable and less dependent on the federal government. It appears that the trend for federal operations to move into suburban areas is slowing, and the District's economic base is continuing its shift from government employment towards private sector services. Private sector jobs have increased both in the city and in the region. The District's private sector base includes fewer of the volatile technology industries that are found elsewhere in the region, and includes more stable industries such as law. Current development projects in retail, entertainment, tourism, and housing suggest additional growth in private sector employment over the next several years.

Major Initiatives

The District has experienced a considerable decline in the assessed value of taxable real property, from $48.7 billion in 1992 to $42.4 billion in 1999. This decline results chiefly from a 33% decline in commercial property assessments during the same period, from $27.9 billion in 1992 to $18.7 billion in 1999.

In December 1997, a privately financed sports arena, the MCI Center, opened in downtown Washington. The arena has 20,000 seats and 50,000 square feet of retail space. The Redevelopment Land Agency acquired land and financed related infrastructure improvements from dedicated District taxes. In 1995, the District established the Washington Convention Center Authority to operate the existing convention center and to construct a new convention center using dedicated tax revenues. The convention center project, now in its second year of construction, is already providing direct employment opportunities. Like the MCI Center, this project will also provide opportunities for direct employment in its operations beginning in 2003, and indirect opportunities for the hospitality and tourism segments of the District job market.

The Taxpayer Relief Act of 1997 (PL 105-34) established the District of Columbia Enterprise Zone through December 31, 2002. The new zone consists of the previously existing enterprise community plus all other census tracts for which the poverty rate is at least 20%. The law also increased the limitation on tax-exempt economic development bonds to $15 million; eliminated the federal capital gains tax through December 31, 2007 on business stock, partnership interest, and business property held for more than five years in all census tracts for which the poverty rate is at least 10%; and provided a maximum $5,000 federal income tax credit for qualified first time home buyers through December 31, 2000.

The National Capital Revitalization and Self-Government Improvement Act of 1997 (Revitalization Act) became effective on October 1, 1997. The Revitalization Act created many financial and structural changes between the District and the federal government. The federal Medicaid reimbursement rate was increased to 70% from 50%. The debt service limitation was increased to 17% of general fund revenues from 14%. The federal government assumed pension costs for services rendered prior to July 1, 1997. The federal payment in lieu of taxes was eliminated and a federal contribution of $190 million was authorized to reflect restrictions and unusual costs imposed on the District. The District's court and felony offender systems were transferred to the federal government.

Year 2000 Issues

For most of the last thirty years, many computer applications were written with the year represented by the last two digits of the year and the first two digits were implied, in order to minimize data storage needs. When developed, these applications were not expected to be in operation at the end of the century; however, many of these applications continued to be used by both the District and organizations with which the District conducts business. Because the

Year 2000 (Y2K) had a potentially adverse affect on operations, the District established a Year 2000 program office to manage and coordinate Y2K compliance activities throughout the city. This Y2K office identified more than 300 different applications in 68 District agencies; 232 of these applications in 18 agencies were identified as mission critical. They assessed information technology (IT) systems, provided hardware and software support, remediated and tested IT systems, identified non-IT assets with Y2K risks, and coordinated contingency planning and vendor management. As of the opinion date, the District has experienced no significant interruption of mission-critical operations or services related to the Year 2000 Issue.

Accounting System

The District's accounting system is organized and operated on a fund basis. A fund is a group of functions combined into a separate accounting entity (corresponding to a corporation in the private sector) having its own assets, liabilities, equity, revenues, and expenditures/expenses. The types of funds used are determined by generally accepted accounting principles. The number of funds established within each type is determined by sound financial administration. Specialized accounting and reporting principles and practices apply to governmental and expendable trust funds. Proprietary and pension trust funds are accounted for in the same manner as similar business enterprises or nonbusiness organizations.

Internal Control

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Control

The District maintains budgetary controls designed to monitor compliance with expenditure limitations contained in the annual appropriated budget approved by the United States Congress. A project-length financial plan is adopted for the Capital Projects Fund. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by function within the General Fund. The District also maintains an encumbrance recording system as one technique of accomplishing budgetary control. Generally, encumbered amounts lapse at year-end in the General Fund but not in the Capital Projects Fund.

The annual appropriated budget is enacted on a basis that is not consistent with generally accepted accounting principles (GAAP) because of differences that result from budgeting inventory, Medicaid (through 1996), and certain pension and other employee benefits, and other expenditures on a cash basis, and budgeting dedicated tax revenues to the benefiting fund rather than to the fund with the authority to levy and collect the tax. The budgetary general fund differs from GAAP by including the Financial Responsibility Authority special revenue fund and the University discretely presented component unit and by excluding the Office of Cable Television, the Public Service Commission, the Office of the People's Counsel, Insurance and Securities, Banking, and Correctional Industries. The Financial Responsibility Authority recognizes budgetary expenditures when orders and contracts are issued rather than when goods and services are received.

As with the financial section, all amounts presented in the remainder of this letter are expressed in thousands. Certain 1998 amounts have been restated for comparability.

Financial Summary

The combined fund balances/retained earnings of the financial reporting entity (excluding pension trust funds) increased by $405,436 in 1999 as compared with an increase of $702,392 in 1998, a decrease of 296,956 or 42.3%. A one-page comparative schedule combining operating results and financial flow performance is shown in Exhibit G-5 of this report.

General Fund

The General Fund is used to account for all financial resources except those required to be accounted for in another fund. Operations are reported to show an excess or deficiency on a flow of current financial resources measurement focus. The General Fund operations are summarized below.

	1999	1998	Increase (Decrease)	Percent
Revenues	$ 4,684,055	4,409,095	274,960	6.2 %
Expenditures and net uses	4,597,628	3,964,246	633,382	16.0
Excess (Deficiency)	$ 86,427	444,849	(358,422)	80.6 %

The General Fund changes in cash and investments are summarized below.

	1999	1998	Increase	Percent
Cash receipts	$ 5,377,845	5,006,021	371,824	7.4 %
Cash payments	5,352,282	4,858,776	493,506	10.2
Increase	$ 25,563	147,245	(121,682)	82.6 %

The General Fund had a positive total fund balance of $198,919 at September 30, 1999, represented by assets of $1,517,566 less liabilities of $1,318,647 . The fund balance is reserved in the amount of $19,369 to indicate the portion that is not available for expenditure within one year.

The following summary presents revenues by source class for the current year and the amount and percentage of increases and decreases in relation to prior year revenues.

	1999		Increase (Decrease) From 1998	
Source Class	Amount	Percent	Amount	Percent
Property taxes	$ 679,550	14.5 %	$ (15,890)	(2.3) %
Sales and use taxes	677,023	14.5	27,127	4.2
Income and franchise taxes	1,169,751	25.0	86,649	8.0
Gross receipts taxes	218,905	4.7	(28,675)	(11.6)
Other taxes	147,333	3.1	7,451	5.3
Total taxes	2,892,562	61.8	76,662	2.7
Licenses and permits	48,247	1.0	124	0.3
Fines and forfeits	47,794	1.0	(5,383)	(10.1)
Charges for services	263,565	5.6	183,437	228.9
Miscellaneous	171,638	3.7	(8,966)	(5.0)
Total District sources	3,423,806	73.1	245,874	7.7
Payment in lieu of taxes	157,968	3.4	(40,032)	(20.2)
Operating grants	1,102,281	23.5	69,118	6.7
Total Federal sources	1,260,249	26.9	29,086	2.4
Total revenues	$ 4,684,055	100.0 %	$ 274,960	6.2 %

The following summary presents expenditures and uses by function for the current year and the amount and percentage of increases and decreases in relation to prior year expenditures and uses.

Function	1999 Amount	1999 Percent	Increase (Decrease) From 1998 Amount	Increase (Decrease) From 1998 Percent
Current expenditures:				
Governmental direction	$ 329,788	7.3 %	$ 161,496	96.0 %
Economic development	161,824	3.6	(20,015)	(11.0)
Public safety and justice	759,526	16.5	208,650	37.9
Public education system	737,781	16.0	67,576	10.1
Human support services	1,283,979	27.9	(130,399)	(9.2)
Public works	264,334	5.7	2,189	0.8
Receiverships	397,435	8.6	83,061	26.4
Future employee benefits	102,097	2.2	244,321	(171.8)
Total	4,036,764	87.8	616,879	18.0
Debt service:				
Principal	261,534	5.7	42,099	19.2
Interest and fiscal charges	198,500	4.3	18,073	10.0
Other financing uses:				
Net refunding proceeds	(34,299)	(0.7)	(23,850)	228.3
Sale/Capital lease	-	-	197	(100.0)
Transfers	135,129	2.9	(20,016)	(12.9)
Total expenditures and uses	$ 4,597,628	100.0 %	$ 633,382	16.0 %

The following summary presents current expenditures by object class for the current year and the amount and percentage of increases and decreases in relation to prior year current expenditures.

Object Class	1999 Amount	1999 Percent	Increase (Decrease) From 1998 Amount	Increase (Decrease) From 1998 Percent
Salaries and wages	$ 1,296,451	32.1 %	$ 115,487	9.8 %
Total employee benefits	142,784	3.6	(238,853)	(62.6)
Future employee benefits	102,097	2.5	244,321	(171.8)
Contractual services	620,276	15.4	187,168	43.2
Supplies	61,133	1.5	11,128	22.3
Occupancy	145,785	3.6	22,111	17.9
Public assistance	959,932	23.8	130,522	15.7
Other	708,306	17.5	144,995	25.7
Total current expenditures	$ 4,036,764	100.0 %	$ 616,879	18.0 %

Special Revenue Fund

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes. The Financial Responsibility Authority Fund is used to account for the operating activity of the District of Columbia Financial Responsibility and Management Assistance Authority. Operations are reported to show an excess or deficiency on a flow of current financial resources measurement focus. The Financial Responsibility Authority operations are summarized below:

	1999	1998	Decrease	Percent
Revenues	$ 209	4,828	(4,619)	(95.7) %
Financing sources	7,012	9,543	(2,531)	(26.5)
Less Expenditures	7,221	14,371	(7,150)	(49.8)
Excess	$ 0	0	0	0.0 %

Capital Projects Fund

The Capital Projects Fund is used to account for the purchase or construction of fixed assets that are wholly or partly financed by transfers of taxes dedicated to highway projects, capital grants, or general long-term debt. Operations are reported to show an excess or deficiency on a flow of current financial resources measurement focus.

During 1999, grants, interest, debt proceeds and transfers-in totaled $520,616 and capital outlays were $357,075 which resulted in an excess of revenues and other sources over expenditures of $163,541 . The capital outlays consisted primarily of $356,450 for general fixed assets and $254 for component units' fixed assets. The Capital Projects Fund had a total fund balance at the end of the year of $387,531 , of which $54,523 is reserved for certain highway projects and $333,008 is reserved for encumbrances.

Enterprise Fund

Enterprise funds are used to account for organizations engaged primarily or solely in selling goods or services to the general public on a continuing basis. All component units are accounted for as enterprise funds; therefore, operations are reported to show a net income or net loss on a flow of economic resources measurement focus. The Lottery and Games Fund operates a lottery and licenses charitable bingo, raffles and Monte Carlo parties. The Lottery and Games enterprise fund is summarized below.

Operating Revenues	Income Before Transfers		Interfund Transfers In (Out)		Retained Earnings	
1999	1999	1998	1999	1998	1999	1998
85,463	64,301	81,401	(64,225)	(81,300)	3,228	3,152

Discretely Presented Component Units

Component units are legally separate organizations for which the elected officials of the District are financially accountable. All component units are accounted for as enterprise funds; therefore, operations are reported on a flow of economic resources measurement focus. The six component units are summarized below.

	Operating Revenues	Income (Loss) Before Transfers		Transfers In From Primary Government		Retained Earnings (Deficit)	
Component Unit	1999	1999	1998	1999	1998	1999	1998
Public Benefits Corporation	$ 134,284	(24,995)	(23,403)	46,842	42,873	(103,190)	(125,037)
Water and Sewer	242,632	29,243	56,559	-	-	280,993	247,515
Convention Center	12,170	20,794	(5,627)	51,145	47,113	204,155	132,216
Sports Commission	6,072	(390)	1,400	-	-	8,878	9,268
Housing Finance	11,569	(8,868)	7,977	-	-	29,625	38,493
University	18,626	(54,108)	(42,532)	50,148	41,391	18,461	18,026
Total	$ 425,353	(38,324)	(5,626)	148,135	131,377	438,922	320,481

The District of Columbia Health and Hospitals Public Benefit Corporation was created by D.C. Law 11-212 to manage and control the General Hospital and the community health clinics and certain services provided by the Department of Human Services. The corporation became operational October 1, 1997. The District of Columbia General Hospital is an acute care facility utilizing 250 beds of its 410-bed capacity and is a major provider of health services to indigent patients. In addition to inpatient care, the hospital serviced 90,612 outpatient visits and 52,444 emergency room visits in 1999, compared to 88,208 and 51,327 in 1998, respectively.

The Water and Sewer Authority operates a regional sewerage system and supplies potable water from the Potomac River to the District. The unit finances the Washington Aqueduct, which is operated by the U.S. Army Corps of Engineers. District waste treatment facilities process sewage for the District and local jurisdictions in suburban Maryland and northern Virginia. Through 1996, long-term capital financing was provided through participation in general obligation bonds and notes payable to the federal government. The District issued this debt and the unit repaid

its share from its own operating revenues. Bonds issued by the Water and Sewer Authority after 1996 are not general obligations of the District and are payable solely from defined revenues and assets of the unit. However, the unit participates in new general obligation bonds that are issued by the District to refinance prior issuances in which the unit participated.

The Washington Convention Center, located midway between the Capitol and the White House, has 378,000 square feet of exhibit and meeting space on two levels. On October 2, 1998, the District broke ground on a new convention center that is scheduled to open in March 2003. At 2.1 million gross square feet, the new facility will be the sixth largest convention center in the United States. Bonds issued by the Convention Center are not general obligations of the District and are payable solely from defined revenues and assets of the unit.

The Sports Commission promotes the District as a sporting event site; coordinates development and construction of sporting facilities and related infrastructure; manages District owned facilities, including the Robert F. Kennedy Memorial Stadium and the National Guard Armory; and may own and operate a professional sports franchise. Bonds issued by the Commission are not general obligations of the District and are payable solely from defined revenues and assets of the unit.

The Housing Finance Authority issues bonds and uses the proceeds to finance residential mortgage, construction, and rehabilitation loans. Bonds issued by the Housing Finance Unit are not general obligations of the District and are payable solely from defined revenues and assets of the unit.

The University includes all activities of the University of the District of Columbia, which is a land-grant institution that provides low-cost courses leading to certificate, bachelor and advanced degrees in arts, sciences, teacher education, special career education and law.

The combined retained earnings of the component units was $438,922 at September 30, 1999.

Trust Funds

Trust funds are used to account for property to which the District has legal title in order to administer it for the benefit of others. The principal portion of expendable trust funds may be expended and are reported on a flow of current financial resources measurement focus. Pension trust funds, however, must preserve their principal intact and are reported on a flow of economic resources measurement focus.

The two trust funds are summarized below.

	Additions/ Operating Revenues	Deductions/ Expenditures		Net Increase/ Excess	
Fund	1999	1999	1998	1999	1998
Unemployment Compensation	$ 114,319	77,368	76,995	36,951	36,872
Pension	325,788	2,300	3,129	323,488	109,573
Total	$ 440,107	79,668	80,124	360,439	146,445

The Unemployment Compensation Fund pays benefits to unemployed former employees of the District and federal governments and of private employers that do business in the District. At September 30, 1999, the fund had a total fund balance of $220,662 .

The Pension Trust Funds pay benefits to retired judges, police officers, fire fighters and public school teachers under the District Retirement Programs. These programs are contributory single employer defined benefit pension plans administered by the District. On October 1, 1997, all responsibility transferred to the federal government for the Judges plan and for the other employee groups, for service provided prior to July 1, 1997. For service provided after June 30, 1997, the police officers, fire fighters and public school teachers are covered by a continuation of the existing plan with certain modifications as mandated by the Replacement Plan Act of 1998. The District made its actuarially required contribution of $35.1 million to the Police and Fire Fighters Plan and $18.6 million to the Teacher's Plan during the year ended September 30, 1999. Other employees are covered by the Civil Service or Social Security

Retirement Systems, which are administered by the federal government, or by the section 401 defined contribution plan.

Debt Administration

Under the District of Columbia Self-Government and Governmental Reorganization Act, no long-term general obligation debt (other than refunding debt) may be issued during any fiscal year in an amount which would cause the amount of the principal and interest paid in any fiscal year on all long-term general obligation debt to exceed 17% of the revenues of the fiscal year in which the debt is issued, as calculated in Exhibit S-11. The debt service percent is calculated using the highest fiscal year debt service divided by the total revenues. The debt service percent limitation was increased from 14 to 17 percent in fiscal year 1998 as a result of the National Capital Revitalization and Self-Government Improvement Act of 1997, accounting for the decrease in revenues from the repeal of the federal payment in lieu of taxes and the loss of court revenues. At September 30, 1999, the District's general obligation debt of $3,133,582 excluding the Water and Sewer Authority, was $2,500,000 below the legal debt limitation of approximately $5,636,512.

Capital appreciation bonds are issued with a stated interest rate of zero percent. The interest is not paid until the bonds mature. To provide full disclosure, the interest is accreted over the lives of the bonds in the General Long-Term Liabilities Account Group.

The District has issued private activity bonds whose principal and interest are not general obligations of the District and are payable solely from defined revenues of private entities. These bonds provide economic incentive to construct, modernize, or enhance private entity facilities in the District, thereby supporting the economic base of the District. The bonds are not recorded as a liability of the District.

The following summary presents the outstanding long-term general obligations of the District at September 30, 1999 and 1998. No revenue, special assessment, or overlapping debt exists.

Fund Type or Account Group	1999	1998
Component unit bonds	$ 107,662	114,122
General bonds	3,133,582	3,091,403
Total	$ 3,241,244	3,205,525

The percentage of debt to assessed value (which equals estimated actual value) and the amount of debt per capita (in dollars) are useful indicators of the District's debt position. These data for the District at September 30, 1999 and 1998 were as follows.

Indicator	1999	1998
Debt to assessed value	7.6 %	7.4 %
Debt per capita	$ 6,177	6,128

Through 1984, the District issued notes to the federal government for authorized capital projects. Starting in 1985, the District has issued general obligation bonds to finance capital projects, to refinance old debt and to eliminate an operating deficit. At year-end, there were 19 bond issues outstanding. The District has received a BBB rating from Standard & Poor's Corporation, a BBB rating from Fitch Investors Service, Inc. and a Baa3 rating from Moody's Investors Service, Inc. on its general obligation bond issues.

During the year, the District issued $241,190 in "new money" bonds and $685,715 in general obligation refunding bonds, for a total of $926,905. The proceeds, including the $18,583 bond premium, allowed the District to accomplish the following:

a) *Restructure the District's outstanding debt to level debt amortization and reduce debt servicing costs.* The refund of certain bonds in the amount of $572,280 produced a more level amortization of the District's debt. Prior to this, the District had more near-term amortization than industry norms. The refund of $113,435 of outstanding debt at lower interest rates produced net present value savings of $5,185;
b) *Fund FY 1999 capital project expenditures* equal to debt proceeds in the amount of $236,876, in accordance with the FY 1999 Budget and Financial Plan;

c) *Produce budget relief* in the coming years, in order to accommodate the tax cuts provided for in the FY 2000 Budget and Financial Plan.

During the year, the District issued and extinguished $230,000 of general obligation tax revenue anticipation notes. The stated interest rate, net interest cost, and payment dates for principal and interest were as follows for each note:

Issue Amount	Interest Rate	Net Interest Cost	Payment Date
Series 1999A $ 50,000	5.06	5.39	11/19/98
Series 1999B $180,000	3.75	3.49	09/30/99

Cash Management

Cash from all funds of the primary government, excluding the Financial Responsibility Authority, is combined unless prohibited by law. Any cash that is not needed for immediate disbursement is invested in obligations which are guaranteed fully by the federal government, such as mutual funds of federal government obligations or repurchase agreements collateralized by federal government obligations. The Financial Institutions Deposit and Investment Amendment Act of 1997 (D.C. Code 47-351.3) authorized the District to invest in certain obligations that may not be guaranteed by the federal government; however, the District has made no changes in investment policy. Deposits and investments, except for investments of the Housing Finance Unit, are collateralized with securities that are held by the District or by its agent in the District's name. The District earned $12,034 on its investments in 1999 and $12,211 in 1998, yielding average rates of 4.69% and 5.46%, respectively, exclusive of fiduciary funds.

Risk Management

The District retains the risk of loss arising out of the ownership of property or from some other cause, except health care and life insurance benefits for employees. Assets are not set aside to finance losses, which are recognized in the affected fund when they occur.

Budgetary Compliance

The following summary presents comparisons between appropriated actual amounts and appropriated budget amounts (as amended) of the General Fund for the year ended September 30, 1999.

	GAAP Basis	Nonappro-priated	Appropriated (Budget Basis)		
			Actual	Budget	Variance
Revenues and sources	$ 5,456,892	105,980	5,350,912	4,757,512	593,400
Expenditures and uses	5,370,465	244,012	5,126,453	4,514,111	(612,342)
Excess (Deficiency)	$ 86,427	(138,032)	224,459	243,401	(18,942)

Independent Audit

District law (D.C. Code 47-119) requires an annual financial audit of the District by independent certified public accountants. The audit must be conducted in accordance with generally accepted auditing standards and the financial statements must be prepared in conformity with generally accepted accounting principles. The District has complied with these requirements and the independent auditors' report is included in the financial section of this report.

Award

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the year ended September 30, 1998. The Certificate of Achievement is a prestigious national award which recognizes conformance with the highest standards for the preparation of state and local government financial reports.

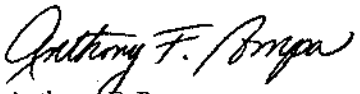
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. The report must also satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The District has received a Certificate of Achievement for fifteen of the last seventeen years. The District believes that the current comprehensive annual financial report continues to conform to the Certificate of Achievement program requirements and it will be submitted to the GFOA for review.

Acknowledgments

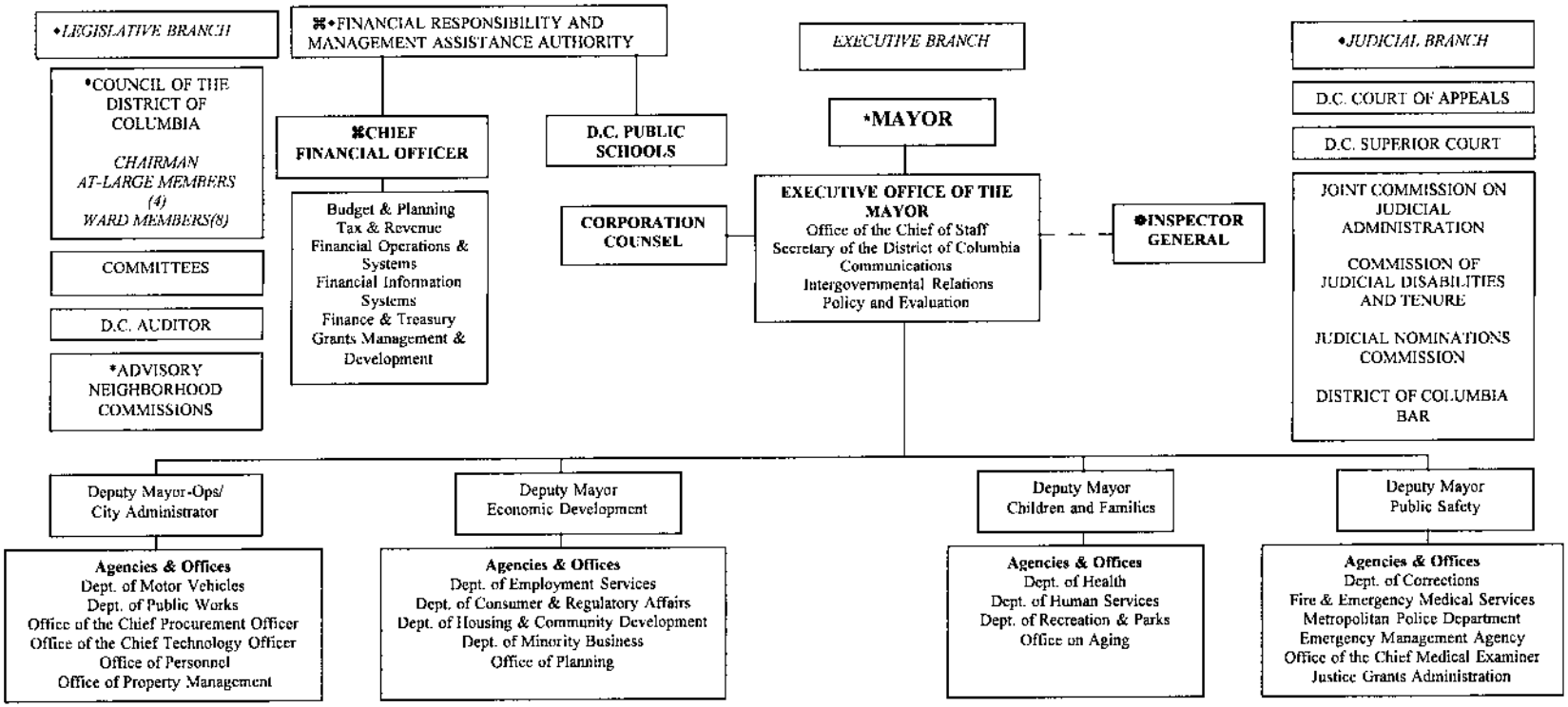
The preparation of the comprehensive annual financial report was made possible by the dedicated staff of the Office of Financial Operations and Systems. We would like to express our appreciation to each member of the staff who contributed to the preparation of this report and especially to Grace Crocker, Haig Gakavian, Bert Molina, Bill Slack, and their respective team members.

Respectfully submitted,



Anthony F. Pompa
Deputy Chief Financial Officer,
Financial Operations and Systems

GOVERNMENT OF THE DISTRICT OF COLUMBIA
(Structural Organization)



● STATUS BY INDEPENDENT AGENCIES

Water & Sewer Authority . Health & Hospital Public Benefits Corp. . Retirement Board
Office of Employee Appeals . Public Employee Relations Board . Convention Center
Board of Directors Housing Finance Agency . Board of Trustees Public Defenders Services
Board of Directors Pretrial Services Agency . Lottery & Charitable Games Control Board
Board of Library Trustees . University of the District of Columbia Board of Trustees
D.C. Housing Authority . D.C. Sports & Entertainment Commission . Peoples Counsel

❖ CHARTER INDEPENDENT AGENCIES

Zoning Commission
Board of Education/Public Schools
Public Service Commission
Armory Board
Board of Elections & Ethics

RECEIVERSHIPS

Dept. of Public & Assisted Housing
Child & Family Services
Mental Health
Corrections Medical Receiver

REGIONAL BODIES

METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS
NATIONAL CAPITAL PLANNING COMMISSION
WASHINGTON METROPOLITAN TRANSIT AUTHORITY
WASHINGTON METROPOLITAN TRANSIT COMMISSION
WASHINGTON MEROPOLITAN AIRPORT AUTHORITY

• ELECTED OFFICIALS
⌘ ESTABLISHED BY P.L. 104-8
• NOT SUBJECTED TO MAYOR'S REORGANIZATION AUTHORITY
● INDEPENDENT AGENCIES
❖ CHARTER INDEPENDENT AGENCIES

PRINCIPAL OFFICIALS

January 2000

Name	Position	First Elected Or Appointed	Term Expires
	Chief Executive Officer		
Anthony A. Williams	Mayor	1999	2003
	Council		
Linda W. Cropp	Chairman	1991	2002
Harold Brazil	At Large	1991	2001
David A. Catania	At Large	1997	2003
Phil Mendelson	At Large	1999	2003
Carol Schwartz	At Large	1997	2001
Jim Graham	Ward 1	1999	2003
John K. Evans	Ward 2	1991	2001
Kathleen Patterson	Ward 3	1995	2003
Charlene Drew Jarvis	Ward 4	1979	2001
Vincent Orange	Ward 5	1999	2003
Sharon Ambrose	Ward 6	1997	2003
Kevin P. Chavous	Ward 7	1993	2001
Sandy Allen	Ward 8	1997	2001
	Chief Judges		
Annice M. Wagner	Court of Appeals	1994	2009
Eugene N. Hamilton	Superior Court	1993	2008
	House of Representatives		
Eleanor Holmes Norton	Delegate	1991	2001
	Executive Officers		
Valerie Holt	Chief Financial Officer		
Robert R. Rigsby	Corporation Counsel		
Abdusalam Omer	Chief of Staff		
Norman Dong	City Adminstrator/Deputy Mayor for Operations		
Eric Price	Deputy Mayor for Economic Development		
Carolyn Graham	Deputy Mayor for Children and Families		
Erik Christian	Deputy Mayor for Public Safety		
Beverly D. Rivers	Secretary of the District of Columbia		
Charles C. Maddox, Esq.	Inspector General		
Anthony F. Pompa	Deputy CFO, Financial Operations and Systems		
Otis Williams	Deputy CFO, Budget and Planning		
William Hall	Deputy CFO, Finance and Treasury		
Natwar M. Gandhi	Deputy CFO, Tax and Revenue		
Henry Debnam	Deputy CFO, Information Systems		
	Financial Responsibility and Management Assistance Authority		
Alice M. Rivlin	Chairperson	1998	2001
Constance B. Newman	Vice Chairperson	1995	2001
Darius Mans	Member	1998	2001
Robert P. Watkins, III	Member	1998	2001
Eugene Kinlow	Member	1998	2001

Certificate of Achievement for Excellence in Financial Reporting

Presented to

District of Columbia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 1998

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

Financial Section

General Purpose Financial Statements

Combining and Individual Fund Statements and Schedules

1999

Government of the District of Columbia
Office of the Chief Financial Officer

GENERAL PURPOSE FINANCIAL STATEMENTS

The general purpose financial statements provide a summary overview of the financial position of all fund types, account groups and component units; and of the operating results of all fund types and component units.

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Mitchell & Titus, LLP

Certified Public Accountants
and Consultants

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Washington, DC 20036
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washington.office
@mitchelititus.com

Independent Auditors' Report

To the Mayor and Council of the District of Columbia

Inspector General of the District of Columbia

District of Columbia Financial Responsibility
And Management Assistance Authority

We have audited the general purpose financial statements of the District of Columbia (the District), as of and for the year ended September 30, 1999, as listed in the accompanying table of contents. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the District of Columbia Retirement Board, the Pension Trust Fund within the Fiduciary Fund Type, and the District of Columbia Water and Sewer Authority, were audited by other auditors in accordance with generally accepted auditing standards, but not in accordance with Government Auditing Standards. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, Public Law 104-8 created the District of Columbia Financial Responsibility and Management Assistance Authority (the Authority), defined a "control period" and deemed a control period to exist. The District is still in a control period. Also, the National Capital Revitalization and Self Government Improvement Act of 1997 made significant changes to the District's Charter, its structure, and the services it provides with the objective of improving the District's financial condition. The ongoing financial and operational impact of this legislation is uncertain and the District may continue to face significant unresolved funding

issues, the outcome of which may result in additional changes to the District's structure and level of services.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the District of Columbia, as of September 30, 1999, and the results of its operations, changes in plan net assets of the pension trust funds, and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our reports dated April 24, 2000 on our consideration of the District's compliance with certain provisions of laws, regulations, contracts and grants, and the District's internal control over financial reporting. Our reports disclosed that previously reported potential material noncompliance with certain laws, regulations, contracts and grants, and the ineffective internal controls over financial reporting, persists and that many of the problems reported in prior years have remained uncorrected. As a result, potential material noncompliance exists in regard to:

- The District of Columbia Procurement Practices Act of 1985
- The Anti-deficiency and Home Rule Acts
- The Quick Payment Provision of the District of Columbia Code
- The Financial Institutions Deposit and Investment Amendment Act of 1997
- Lawsuits and court orders
- Federal grant requirements
- The District of Columbia Financial Responsibility and Management Assistance Authority Act

Similarly, our report on internal controls noted material weaknesses in controls over financial reporting in the following areas:

- Electronic data processing
- Business and individual tax information system processing
- Bank reconciliation controls
- Controls over transactions involving the Authority
- Lack of timely and accurate entries into its financial management system
- Overall financial management at several District agencies
- Monitoring of the Department of Housing and Community Development loan activity
- Other reconciliation and management items

Our findings regarding the above areas are detailed in our separate reports on compliance with laws and regulations and internal controls. However, District officials need to place special emphasis and priority focus on restructuring certain aspects of the Office of the Chief Financial Officer. We believe a priority effort should be made to centralize all aspects of the accounting function across the government until a larger cadre of personnel are properly trained to support a more decentralized accounting structure with inputs from each agency. For the identified key people participating in the centralized structure, short-term intensified and longer term sustained

required training should be provided on how to use the new financial management system. Also, an assessment and implementation of needed modifications to the system design should be done to optimize its benefits. In addition, assessments should be made of key positions in the Office of the Chief Financial Officer, at all levels, on their ability to perform the required work in a qualitative and timely manner.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The information in the accompanying schedules identified as Exhibits A-1 through G-6 in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the District of Columbia. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

We did not audit the data included in the introductory section and the statistical section of the report and, accordingly, express no opinion thereon.

Mitchell & Titus, LLP

April 24, 2000
Washington, DC

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Exhibit 1

DISTRICT OF COLUMBIA
COMBINED BALANCE SHEET
ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNITS

September 30, 1999
($000s)

	Governmental Fund Types			Proprietary Fund Types	Fiduciary Fund Type	Account Groups		
	General	Special Revenue Financial Responsibility Authority	Capital Projects	Enterprise	Trust and Agency (Note 6)	General Fixed Assets	General Long Term Liabilities	Component Units (Note 7)
ASSETS AND OTHER DEBITS								
Current Assets:								
Cash and investments (note 2)	$ 480,027	3,959	6,420	10,637	2,744,537	-	-	1,177,818
Receivables (net of allowances for uncollectibles):								
Taxes	224,028	-	-	-	-	-	-	-
Accounts	183,584	-	15,103	2,958	17,537	-	-	140,304
Intergovernmental	348,501	-	29,124	-	170	-	-	29,103
Due from primary government /component units (note 3)	44,236	-	-	-	-	-	-	49,250
Interfund (note 3)	195,395	-	469,426	-	8,173	-	-	-
Inventories	16,304	-	-	467	-	-	-	12,252
Properties held for resale	-	3,100	-	-	-		-	-
Other current assets	6,122	6	-	23	17,412	-	-	33,277
Total current Assets	1,498,197	7,065	520,073	14,085	2,787,829	-	-	1,442,004
Long Term Assets:								
Receivables (net of allowances for uncollectibles):								
Loans	19,369	-	-	-	-	-	-	208,495
Intergovernmental	-	-	-	-	-	-	-	36,674
Interfund	-	546	-	-	-	-	-	-
Deferred charges	-	-	-	-	-	-	-	48,975
Other long term assets	-	-	-	80,637	-	-	-	-
Total long term assets	19,369	546	-	80,637	-	-	-	294,144
Fixed Assets (Note 4):								
Property and equipment	-	-	-	3,154	-	5,995,623	-	2,288,639
Accumulated depreciation	-	-	-	(2,754)	-	(2,617,591)	-	(761,112)
Net fixed assets	-	-	-	400	-	3,378,032	-	1,527,527
Other Debits:								
Resources to be provided	-	-	-	-	-	-	3,517,918	-
Total assets and other debits	$ 1,517,566	7,611	520,073	95,122	2,787,829	3,378,032	3,517,918	3,263,675

The accompanying notes are an integral part of this statement.

Exhibit 1

	Governmental Fund Types			Proprietary Fund Types	Fiduciary Fund Type	Account Groups		
	General	Special Revenue Financial Responsibility Authority	Capital Projects	Enterprise	Trust and Agency (Note 6)	General Fixed Assets	General Long Term Liabilities	Component Units (Note 7)
LIABILITIES, EQUITY AND OTHER CREDITS								
Current Liabilities:								
Payables:								
Accounts	$ 403,599	358	84,001	1,939	163,168	-	-	69,276
Compensation	161,378	282	-	577	-	-	-	27,603
Due to primary government /component unit (note 3)	43,360	-	-	-	5,890	-	-	44,236
Interfund (note 3)	590	5,446	-	-	667,504	-	-	-
Accrued liabilities	375,995	-	-	8,572	-	-	-	53,103
Deferred revenue	277,301	555	48,541	151	-	-	-	70,840
Current maturities (note 5)	35,000	-	-	-	-	-	-	64,306
Other current liabilities	21,424	-	-	18	17,530	-	-	17,216
Total current liabilities	1,318,647	6,641	132,542	11,257	854,092	-	-	346,580
Long Term Liabilities (Note 5):								
Long term debt:								
Intergovernmental notes payable	-	-	-	-	-	-	-	15,242
General obligation bonds payable	-	-	-	-	-	-	3,098,582	599,468
Loans payable	-	-	-	-	-	-	-	816,147
Other long term liabilities	-	-	-	80,637	-	-	419,336	347,060
Total long term liabilities	-	-	-	80,637	-	-	3,517,918	1,777,917
Total liabilities	**1,318,647**	**6,641**	**132,542**	**91,894**	**854,092**	**-**	**3,517,918**	**2,124,497**
Equity and other credits:								
Other credits:								
Resources invested (note 4)	-	-	-	-	-	3,378,032	-	-
Contributed capital (note 4)	-	-	-	-	-	-	-	700,256
Retained earnings	-	-	-	3,228	-	-	-	438,922
Fund balances:								
Reserved for:								
Long term assets	19,369	-	-	-	-	-	-	-
Encumbrances	-	-	333,008	-	-	-	-	-
Capital project expenditures			54,523					
Future benefits	-	-		-	1,933,737	-	-	-
Unreserved	179,550	970	-	-	-	-	-	-
Total equity and other credits	198,919	970	387,531	3,228	1,933,737	3,378,032	-	1,139,178
Total liabilities, equity and other credits	$ 1,517,566	7,611	520,073	95,122	2,787,829	3,378,032	3,517,918	3,263,675

Exhibit 2

DISTRICT OF COLUMBIA
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS

Year Ended September 30, 1999
($000s)

	Governmental Fund Types			Fiduciary Fund Type
	General	Special Revenue Financial Responsibility Authority	Capital Projects	Expendable Trust
Revenues:				
Taxes	$ 2,892,562	-	-	90,384
Licenses and permits	48,247	-	-	-
Fines and forfeits	47,794	-	-	-
Charges for services	263,565	-	-	-
Benefit contributions	-	-	-	11,523
Miscellaneous	171,638	209	49,049	12,412
Intergovernmental (note 8)	1,260,249	-	164,927	-
Total revenues	4,684,055	209	213,976	114,319
Expenditures:				
Current:				
Governmental direction and support	329,788	7,221	-	-
Economic development and regulation	161,824	-	-	-
Public safety and justice	759,526	-	-	-
Public education system	737,781	-	-	-
Human support services	1,283,979	-	-	77,368
Public works	264,334	-	-	-
Receiverships	397,435	-	-	-
Employee benefits addition (deduction)	102,097	-	-	-
Capital outlay	-	-	357,075	-
Debt service:				
Principal	261,534	-	-	-
Interest and fiscal charges	198,500	-	-	-
Total expenditures	4,496,798	7,221	357,075	77,368
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	187,257	(7,012)	(143,099)	36,951
Other Financing Sources (Uses):				
Proceeds (payments) of:				
General obligation bonds	708,612	-	236,876	-
Capital leases			13,839	
Payment to refunded bond escrow agent:				
Refunded debt	(658,192)	-	-	-
Refunding charges	(16,121)	-	-	-
Sales of fixed assets	-	-	11,711	-
Transfers:				
Interfund transfers in	64,225	7,012	44,214	-
Interfund transfers out	(51,226)	-	-	-
Component Units	(148,128)	-	-	-
Total other financing net sources (uses)	(100,830)	7,012	306,640	-
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	**86,427**	-	**163,541**	**36,951**
Fund Balances at October 1	**112,492**	**970**	**223,990**	**183,711**
Fund Balances at September 30	$ **198,919**	**970**	**387,531**	**220,662**

The accompanying notes are an integral part of this statement.

Exhibit 3

STATEMENT OF REVENUES, EXPENDITURES AND RECONCILIATION OF BUDGETARY BASIS WITH GAAP BASIS GENERAL FUND

Year Ended September 30, 1999
($000s)

	Budget				Variance - Favorable
	Original	Revisions	Revised	Actual	(Unfavorable)
Revenues and Sources:					
Taxes:					
Property taxes	$ 674,500	9,000	683,500	679,550	(3,950)
Sales and use taxes	565,000	84,700	649,700	645,949	(3,751)
Income and franchise taxes	1,031,900	118,500	1,150,400	1,169,751	19,351
Other taxes	330,400	10,700	341,100	327,679	(13,421)
Total taxes	2,601,800	222,900	2,824,700	2,822,929	(1,771)
Licenses and permits	46,076	1,727	47,803	46,534	(1,269)
Fines and forfeits	69,450	(12,679)	56,771	47,688	(9,083)
Charges for services	38,745	(4,882)	33,863	31,055	(2,808)
Miscellaneous	62,351	21,958	84,309	86,740	2,431
Private & Other	314,660	6,826	321,486	282,732	(38,754)
Intergovernmental	1,226,026	73,554	1,299,580	1,260,397	(39,183)
General obligation bonds	-	-	-	708,612	708,612
Surplus property sales	-	-	-	-	-
Transfers	69,000	-	69,000	64,225	(4,775)
Revenue initiatives	20,000	-	20,000	-	(20,000)
Total revenues and sources	4,448,108	309,404	4,757,512	5,350,912	593,400
Expenditures and Uses:					
Governmental direction and support	164,144	109,136	273,280	270,346	2,934
Economic development and regulation	159,039	7,511	166,550	147,220	19,330
Public safety and justice	755,786	(19,604)	736,182	718,621	17,561
Public education system	774,877	46,574	821,451	801,064	20,387
Human support services	1,514,751	(60,250)	1,454,501	1,434,739	19,762
Public works	266,912	12,419	279,331	264,819	14,512
Receiverships	318,979	21,652	340,631	355,382	(14,751)
Washington Convention Center Payment	5,400	-	5,400	-	5,400
Refunded bonds, interest, and fiscal charges	-	-	-	707,530	(707,530)
Repay bonds and interest	382,170	(10,503)	371,667	363,194	8,473
Repay deficit bonds and interest	38,453	-	38,453	38,453	-
Interest on short term borrowing	11,000	(4,500)	6,500	6,109	391
Certificates of participation	7,926	3	7,929	7,929	-
Human resources development	6,674	466	7,140	5,951	1,189
Financial Responsibility Authority	7,840	(2,744)	5,096	5,096	-
Total expenditures and net uses	4,413,951	100,160	4,514,111	5,126,453	(612,342)
Subtotal	34,157	209,244	243,401	224,459	(18,942)
PL 105-277 Productivity Savings	10,000	-	10,000	-	(10,000)
EXCESS (DEFICIENCY) OF REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES -- BUDGETARY BASIS	**$ 44,157**	**209,244**	**253,401**	**224,459**	**(28,942)**
Reconcile Budgetary to GAAP Basis:					
Financial Responsibility Authority				(1,916)	
Convention Center taxes				(51,145)	
Claims and judgments accrual				(45,552)	
Accrued future debt payment				(35,000)	
Uncollectible receivable for mental health receiver				(12,117)	
Grant disallowance accrual				(9,646)	
Undistributed cost				(8,538)	
Inventory decrease				(4,638)	
Medicaid accrual, net of revenue				(4,085)	
Net revenues from activities classified as other				28,980	
Accrued interest				9,830	
Long term receivable reserve				(1,654)	
Other accruals, net				(2,551)	
EXCESS OF REVENUES AND SOURCES OVER EXPENDITURES AND OTHER USES -- GAAP BASIS				**$ 86,427**	

Exhibit 4

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

ALL PROPRIETARY FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNITS

Year Ended September 30, 1999

($000s)

	Proprietary Fund Types Enterprise	Component Units (Note 7)
Operating Revenues:		
Charges for services	$ 207,091	413,784
Miscellaneous	-	11,569
Subtotal	207,091	425,353
Deductions from charges for services	(121,628)	-
Total operating revenues	85,463	425,353
Operating Expenses:		
Personal services	4,829	231,037
Contractual services	16,388	95,523
Supplies	60	25,981
Occupancy	1,526	32,188
Depreciation	233	41,060
Miscellaneous	544	67,072
Total operating expenses	23,580	492,861
OPERATING INCOME (LOSS)	61,883	(67,508)
Nonoperating Revenues (Expenses):		
Intergovernmental (note 9)	-	31,057
Interest revenue	2,256	59,623
Interest and fiscal charges	-	(53,696)
Miscellaneous	162	(7,800)
Total nonoperating revenues (expenses)	2,418	29,184
INCOME (LOSS) BEFORE TRANSFERS	64,301	(38,324)
Transfers:		
Interfund transfers out	(64,225)	-
Componenet units' transfers in	-	148,135
Total transfers in (out)	(64,225)	148,135
NET INCOME	**76**	**109,811**
Depreciation closed to Contributed Capital	-	8,630
INCREASE IN RETAINED EARNINGS	**76**	**118,441**
Retained Earnings at October 1	**3,152**	**320,481**
Retained Earnings at September 30	**$ 3,228**	**438,922**

The accompanying notes are an integral part of this statement.

Exhibit 5

COMBINED STATEMENT OF CASH FLOWS

ALL PROPRIETARY FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNITS

Year Ended September 30, 1999
($000s)

	Proprietary Fund Types	
	Enterprise Funds	Component Units
Operating Activities:		
Cash receipts from customers	$ 205,796	362,786
Cash receipts from loans and interest	-	25,253
Other cash receipts	162	27,720
Cash payments to vendors	(19,502)	(140,904)
Cash payments to employees	(4,838)	(233,282)
Other cash payments, including prizes	(122,831)	-
Net cash provided	58,787	41,573
Capital and Related Financing Activities:		
Acquisitions of fixed assets		
Lottery Board	(106)	-
Public Benefit Corporation	-	-
Water and Sewer	-	(25,725)
Convention Center	-	(109,570)
Sports Commission	-	(257)
Housing Finance	-	(697)
University	-	(1,184)
Proceeds of long term bonds	-	15,242
Payments of long term debt		
Water and Sewer	-	(18,646)
Payments of interest and charges		
Water and Sewer	-	(17,908)
Convention Center	-	589
Contributions of capital		
Water and Sewer	-	9,020
University	-	840
Net cash provided	$ (106)	(149,340)
Noncapital Financing Activities:		
Operating grant receipts	$ -	30,453
Interfund transfers out	(64,225)	-
Intragovernmental transfers in	-	148,135
Proceeds of loans payable	-	138,650
Payments of loans payable	-	(139,344)
Payments of interest and charges	-	(36,048)
Other long term payments	-	(15,497)

Exhibit 5

	Proprietary Fund Types	
	Enterprise Funds	Component Units
Payments to other funds		
Public Benefit Corporation	-	154
Water and Sewer	-	7,525
Convention Center	-	(1,123)
Sports Commission	-	-
Housing Finance	-	(75)
University	-	-
Net cash provided (used)	(64,225)	132,830
Investing Activities:		
Receipts of interest and dividends	2,256	59,522
Net cash provided	2,256	59,522
INCREASE (DECREASE) IN CASH	**(3,288)**	**84,585**
Cash and Investments at October 1	**13,925**	**1,093,233**
Cash and Investments at September 30	**$ 10,637**	**1,177,818**
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	$ 61,883	(67,508)
Depreciation	233	41,060
Miscellaneous nonoperating revenues	162	(7,800)
Loss on disposition of fixed assets	-	7,050
Decrease (increase) in assets:		
Receivables	(1,315)	(8,028)
Allowance for uncollectibles	-	(5,545)
Inventories	(12)	2,566
Other current assets	(18)	44,874
Loans receivable	-	14,305
Increase (decrease) in liabilities:	-	-
Payables	(939)	17,784
Accrued liabilities	(1,203)	(14,232)
Deferred revenue	20	1,709
Other current liabilities	(24)	15,338
Net Cash Provided (Used)	$ 58,787	41,573
Noncash contributions of capital	$ -	-

The accompanying notes are an integral part of this statement.

Exhibit 6

COMBINED STATEMENT OF CHANGES IN PLAN NET ASSETS

PENSION TRUST FUNDS

Year Ended September 30, 1999
($000s)

	Fiduciary Fund Types Pension Trust
Additions:	
Benefit contributions:	
Interfund	$ 53,700
Employees	37,274
Investing:	
Investment income	56,338
Net appreciation in fair value of investments	189,990
Less - investment expenses	(11,514)
Total additions	325,788
Deductions:	
Benefit payments:	
Benefits	2,300
Total deductions	2,300
NET INCREASE	**323,488**
Net assets held in trust for pension benefits:	
October 1	**1,389,587**
September 30	**$ 1,713,075**

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 1999

(Amounts expressed in thousands)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Article I, section 8, clause 17 of the United States Constitution adopted September 17, 1787 states, "The Congress shall have the power...to exercise exclusive legislation in all cases whatsoever, over such district (not exceeding ten miles square) as may, by cession of particular states, and the acceptance of Congress, become the seat of the government of the United States..." The District of Columbia (District) was created March 30, 1791 and became the nation's capital December 1, 1800. Congress granted the District a Charter, which went into effect on January 2, 1975 (the District of Columbia Self-Government and Governmental Reorganization Act, Public Law 93-198, approved December 24, 1973). The District is a municipal corporation, which operates under an elected Mayor-Council form of government. An act of the Council, other than a budget request act, becomes a law unless Congress and the President disapprove it after it is adopted. Citizens of the District have the right to vote for President and Vice President of the United States but not for members of Congress. The District has an elected nonvoting delegate to the United States House of Representatives. The President with the advice and consent of the Senate appoints the judges of the District courts. The United States Attorney prosecutes felonies committed in the District and the United States Marshall carries out court orders.

The District of Columbia Financial Responsibility and Management Assistance Authority (Financial Responsibility Authority) was created on April 17, 1995 by Public Law 104-8. The President appoints the five members of the Financial Responsibility Authority. The Financial Responsibility Authority has broad powers during a control year to review and approve the budget, legislation, contracts (including collective bargaining agreements) and borrowing of the District; and to borrow funds on behalf of the District.

A. CONTROL YEAR AND PERIOD

A control year is a fiscal year that commences during a control period. A control period commences upon the occurrence of a borrowing from the U.S. Treasury pursuant to D.C. Code 47-3401; a cash deficit estimated to last beyond the current fiscal year or the first half of the subsequent fiscal year; or failure to pay debt service, payroll, employee benefits, or interstate compact payments. A control period ends when the Financial Responsibility Authority determines, after consultation with the District Inspector General, that the District has adequate and reasonable access to short term and long-term credit markets, and that for four consecutive fiscal years the District has not operated at a deficit. The Financial Responsibility Authority suspends all activities upon the later of (1) 12 months after all borrowings by the Financial Responsibility Authority for the use of the District, and by the District from the U.S. Treasury pursuant to D.C. Code 47-3401 have been discharged, or (2) the expiration of the control year in which a control period ends and in which (1) above occurs. Between the end of a control year and suspension of activities, the Financial Responsibility Authority reviews and comments upon the budget, monitors financial status, and satisfies its responsibilities for debt it issued.

The District entered a control period when the Financial Responsibility Authority was activated in April 1995. Fiscal year 1999 was a control year. Special conditions of a control period and year are described below and in the Budgeting section.

All acts passed by the Council in a control year, along with a fiscal impact statement, must be submitted to the Financial Responsibility Authority. It has seven business days after submission within which to review such legislation, a period which can be extended for an additional seven business days. The Financial Responsibility Authority may disapprove a Council act if it determines that the Council act is significantly inconsistent with the financial plan and budget. The District may not borrow funds during a control year without the prior consent of the Financial Responsibility Authority. The proceeds of the annual federal payment, borrowings by the District, and borrowings by the Financial Responsibility Authority for the use of the District are deposited into escrow accounts held by the Financial Responsibility Authority and allocated to the District in such amounts and at such times as the

Financial Responsibility Authority considers to be consistent with the financial plan and budget. The Financial Responsibility Authority has not borrowed any funds as of September 30, 1999.

The Financial Responsibility Authority may at any time submit recommendations to the District, President or Congress to ensure compliance with a financial plan and budget or otherwise promote the financial stability, responsible management, and efficient service delivery of the District. If the District determines not to adopt a recommendation that is within the power of the District, the Financial Responsibility Authority may "take such action concerning the recommendation as it deems appropriate, after consulting with the Committee on Governmental Reform and Oversight of the House of Representatives and the Committee on Governmental Affairs of the Senate" (Public Law 104-8 Sec. 207(c)(1)).

In addition, the Financial Responsibility Authority may at any time issue such orders, rules or regulations as it considers appropriate to carry out the purposes of Public Law 104-8 and the amendments made thereby, to the extent that the issuance of such an order, rule, or regulation is within the authority of the Mayor or the head of any department or agency of the District government. Any such order, rule or regulation is legally binding to the same extent as if issued by the Mayor or the head of any such department or agency, and the Financial Responsibility Authority's decision to issue such an order, rule or regulation is final and not subject to judicial review (Public Law 104-8 Sec. 204(d)).

B. FINANCIAL REPORTING ENTITY

A financial reporting entity consists of a primary government and its component units. The primary government is the District of Columbia, which consists of all the organizations that make up its legal entity. The lottery, unemployment compensation and retirement programs are not legally separate organizations and their financial data are included with the financial data of the primary government. In accordance with the amendment of Section 457 of the Internal Revenue Code, as well as the requirements of Statement Number 32 of the Governmental Accounting Standards Board (GASB), during 1998 the District amended its deferred compensation plan and no longer retains a fiduciary responsibility for the plan. Consequently, the plan is not reported in the financial data of the primary government for 1999.

Component units are legally separate organizations for which the elected officials of the District are financially accountable. The Financial Responsibility Authority is an entity of the District government with a federally appointed board and was created to provide temporary fiscal assistance to alleviate the District's fiscal distress. The District is not financially accountable for and exercises no control over the Financial Responsibility Authority. Generally accepted accounting principles (GAAP) require the presentation of the Financial Responsibility Authority as a blended component unit of the primary government because it was created for a specific purpose, to minimize the financial difficulties of the General Fund. The Public Benefit Corporation, Water and Sewer Authority, Convention Center, Sports Commission, Housing Finance Agency and the University of the District of Columbia are discretely presented component units, reported separately from the primary government, and are proprietary fund types. Accountability exists because the Mayor, with the advice and consent of the Council, appoints the governing bodies of all the component units, except for the Public Benefit Corporation and Water and Sewer Authority. Accountability exists for the Public Benefit Corporation and the Water and Sewer Authority because the Mayor, with the consent of the Council, appoints a majority of the board and only those board members may vote on retail water and sewer rates. In addition, the District has an obligation to provide financial support to the Public Benefit Corporation, Housing Finance Agency and the University of the District of Columbia. The District must approve certain financial transactions of the Convention Center and Sports Commission, and certain tax revenues are dedicated to these organizations. Condensed financial statements for each of the discretely presented component units and sources for a complete set of financial statements are presented in Note 7.

The District of Columbia Housing Authority (the Housing Authority) is a legally separate organization that provides and maintains quality public housing in the District. However, financial accountability does not exist because the District does not impose its will on, or have a financial benefit or burden relationship with, the Housing Authority. The Housing Authority was placed into a three-year receivership for deficiencies in performing its mission by a May 19, 1995 order of the Superior Court of the District of Columbia. A June 23, 1998 order of the Superior Court of the District of Columbia further extended the receivership through May 18, 2000. Upon the completion of the Receivership, powers shall be transferred to an independent Board required under District law to manage the affairs of the Housing Authority or its successor agency. The Board will be appointed during this transition period pursuant to

the requirements set forth by District law and will not be appointed by the Receiver. Transactions between the Housing Authority and the District are presented in Note 7.

The Washington Metropolitan Area Transit Authority (the Transit Authority) is a tax-exempt joint venture created in 1967 by compact among Maryland, Virginia and the District. The Transit Authority is responsible for the construction, financing and operation of mass transit facilities in the counties of Montgomery and Prince George's in Maryland, the counties of Arlington and Fairfax and the cities of Alexandria, Fairfax and Falls Church in Virginia, and the District. The Transit Authority is a public corporation, which is governed by a board consisting of six directors, two each, representing Maryland, Virginia and the District. The Council appoints the District's directors. The Transit Authority does not have any stockholders, has no taxing power and is not subject to regulatory approval of its fare schedules. The participants are required to provide a stable and reliable source of revenues to finance their ongoing financial responsibility to the Transit Authority (D.C. Code 1-2465). The revenues allocated by the District to the Transit Authority are motor vehicle registration fees; traffic fines; motor vehicle excise taxes; parking meter fees; sales taxes on parking lots, hotel rooms, rental vehicles, restaurant food and drinks; motor fuel taxes; and federal grants for operating expenses of the transit authority. Transactions between the Transit Authority and the District are discussed in Note 7.

C. BASIS OF PRESENTATION

The District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain District functions or activities.

A fund is a separate entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in governmental funds because they are not current financial resources and liabilities.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types."

Governmental funds are used to account for all of the District's general activities. The General Fund is used to account for all activities of the general government not accounted for in some other fund, including the collection and disbursement of earmarked monies and the servicing of general long-term debt. The special revenue fund is used to account for the operations of the Financial Responsibility Authority. The Capital Projects Fund is used to account for the purchase or construction of fixed assets financed by operating transfers, capital grants or general long-term debt.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. The enterprise fund is used to report the operations of the Lottery and Games Fund.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments or on behalf of other funds within the District. When these assets are held under the terms of a formal trust agreement, either a pension trust fund or an expendable trust fund is used. The term "expendable" refers to the fact that the District is not under an obligation to maintain the trust principal. Agency funds generally are used to account for assets that the District holds on behalf of others as their agent, including amounts held in escrow by the Financial Responsibility Authority for the benefit of the District. The District's fiduciary funds include the following:

- *Unemployment Compensation Trust Fund,* established to account for funds used to pay benefits to unemployed former employees of the District and Federal governments and private employers of the District
- *Pension Trust Funds,* used to account for resources used for retirement annuity payments at appropriate amounts and times for police officers, firefighters and public school teachers of the District
- *Agency Funds,* used to account for assets held in the custody of the District or the Financial Responsibility Authority, as an agent for individuals, private organizations, other governments or other funds

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

All proprietary funds, pension trust funds, and discretely presented component units are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity of proprietary fund types is segregated into contributed capital and retained earnings components. Operating statements of these funds present increases (revenues) and decreases (expenses) in retained earnings. Operating statements of pension trust funds present additions and deductions in plan net assets.

All governmental fund types, expendable trust funds and agency funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (that is, when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property taxes are considered as available if they are collected within 60 days after year-end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. Principal on general long-term debt is recorded as a fund liability when due. Current interest on general long-term debt is recorded as a fund liability when the amount has been incurred through the passage of time.

Those revenues susceptible to accrual are property taxes, sales and use taxes, income and franchise taxes, gross receipts taxes, interest and grants, and other reimbursable revenues. Property taxes are recognized as revenue in the tax year for which they are levied, provided they are available. Sales and use taxes are recognized as revenue when the sales or uses take place. Income taxes are recognized as revenue when the income is earned by the taxpayer, less an accrual for probable refunds. Franchise and gross receipts taxes are recognized as revenue when the related income is earned by the taxpayer. Interest is recognized as revenue through the passage of time. Licenses and permits, fines and forfeits, charges for services, and other taxes generally are not susceptible to accrual because they are not measurable until received in cash.

Proprietary fund types and pension trust funds utilize the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The pension trust funds recognize revenues from participants in the period in which contributions are due, revenues from District contributions when due and a formal commitment has been made, and expenditures for benefits and refunds when due and payable. Proprietary activities do not apply Financial Accounting Standards Board statements and interpretations issued after November 30, 1989.

The District reports deferred revenue in the accompanying balance sheet. Deferred revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenue also arises when the District receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

Real property taxes are levied as of October 1 on property values assessed as of the preceding January 1. The tax levy is due and collectible in two equal installments on March 31 and September 15. On these dates, the bill becomes delinquent and the District may assess penalties and interest. Real property taxes attach as an enforceable lien on property as of October 1 of the year after levy.

E. BUDGETING

The following explains the budgeting process that takes place during a control period. By February 1, the Mayor submits a budget for the next fiscal year, a project-length financial plan for the Capital Projects Fund, and a financial plan for the following three years to the Financial Responsibility Authority for its approval. The Financial

Responsibility Authority has a 30-day period to approve or reject. If rejected, the Mayor has 15 days to submit a revised financial plan and budget to the Financial Responsibility Authority for a 15-day review and approval period. The Mayor submits the approved financial plan and budget, or, if rejected, the Mayor submits the revised financial plan and budget to the Financial Responsibility Authority, which in turn, submits a recommended financial plan and budget to the Council for a 30-day review period. The Council's financial plan and budget act is submitted to the Financial Responsibility Authority for a 15-day period to approve or reject. If rejected, the Council has 15 days to submit a revised financial plan and budget act to the Financial Responsibility Authority for a 15-day review and approval period. The Mayor submits by June 15 the approved financial plan and budget request act, or, if disapproved, the Mayor submits the revised financial plan and budget request act and the Financial Responsibility Authority submits a recommended financial plan and budget to the President of the United States for review, submission to Congress and enactment.

The legally adopted budget is the annual appropriation public law (appropriation act) enacted by Congress and signed by the President. The appropriation act authorizes expenditures at the function level. Congress must enact a revision that alters the total expenditures of any function unless otherwise authorized by an act of Congress.

The District may request a revision to the appropriated expenditure amounts in the appropriation act by submitting to the President and Congress a request for a supplemental appropriation. During a control period, the Mayor may submit proposed revisions to the financial plan and budget during the year by following the same procedures as for the initial budget submission, except that the initial review period by the Financial Responsibility Authority is 20 days instead of 30 and that a revision that does not increase the amount of spending with respect to any function is effective unless rejected by the Financial Responsibility Authority or Congress. In 1999, the District did not submit a supplemental budget request act.

The District may reallocate budget amounts within functions in accordance with District policies contained in the Reprogramming Policy Act (D.C. Code 47-361). The appropriated budget amounts in the budgetary statement (Exhibit 3) include all approved reallocations. Appropriated actual expenditures and uses may not legally exceed appropriated budgeted expenditures and uses at the function level as shown on the budgetary statement. An unfavorable variance in the budgetary statement for a function of expenditure or use is a violation of the Anti-Deficiency Act (31 U.S.C. 1341).

Pursuant to relevant legislation (Public Laws 104-8 and 105-277) the Financial Responsibility Authority has authorized and enacted certain revisions to the original budget as reflected in Exhibit 3, General Fund - Statement of Revenues, Expenditures and Reconciliation of Budgetary Basis with GAAP Basis.

The appropriation act specifies expenditures and net surplus or deficit of revenues. The appropriation act does not specify revenue amounts. Rather, the legally adopted revenue budget is based on the revenue estimates submitted to the President and Congress as modified by the legislative history. The budgetary schedule (Exhibit 3) shows Revenues and Sources as presented in the Committee Reports (House 105-670 and Senate 105-254) and Expenditures and Uses as contained in the appropriation act (PL 105-277). Excess revenues collected over operating expenses were to be applied to (1) the elimination of the general fund accumulated deficit; (2) the establishment of a reserve account not to exceed $250 million to be used to finance seasonal needs (in lieu of short term borrowings); (3) the acceleration of repayment of cash borrowed from the Water and Sewer Fund; and (4) the reduction of the outstanding long-term debt.

The annual appropriated budget is enacted on a basis that is not consistent with generally accepted accounting principles (GAAP) because of differences that result from budgeting inventory, Medicaid (through 1996), certain pension and other employee benefits, and other expenditures on a cash basis, and budgeting dedicated tax revenues to the benefiting fund rather than to the fund with the authority to levy and collect the tax. The budgetary general fund differs from GAAP by including the Financial Responsibility Authority special revenue fund and the University discretely presented component unit and by excluding the Office of Cable Television, the Public Service Commission, the Office of the People's Counsel, Insurance and Securities, Banking, and Correctional Industries. The Financial Responsibility Authority recognizes budgetary expenditures when orders and contracts are issued rather than when goods and services are received. All annual appropriations lapse at year-end.

Encumbrances represent commitments related to unperformed contracts for goods or services. Purchase orders and contracts are recorded to reserve that portion of the applicable appropriation in the governmental funds. Encumbrances generally lapse at year-end in the General Fund but not in the special revenue fund or the Capital Projects Fund. Encumbrances outstanding at year-end in the special revenue fund and the Capital Projects Fund do not constitute

expenditures or liabilities because the commitments will be honored during a subsequent year. The fund balance is "reserved for encumbrances" to indicate the portion that is available for expenditure upon vendor performance.

F. CASH AND INVESTMENTS

Cash from all funds of the primary government, excluding the Financial Responsibility Authority, is combined unless prohibited by law. The cash management pool is considered to be cash because it is used as a demand deposit account by each fund. When one fund overdraws its share of the pooled cash, that fund reports a liability to the General Fund, which is deemed to have loaned the cash to the overdrawn fund. The General Fund reports a receivable from the overdrawn fund.

Any cash, which is not needed for immediate disbursement, is used to purchase investments. D.C. Law 12-56, "Financial Institutions Deposit and Investment Amendment Act of 1997," repealed the previous law (D.C. Code 47-341 through 47-350) effective March 18, 1998, and provides the District much more flexibility in its investment choices. However, at September 30, 1999, the District invested primarily, either directly or indirectly (through repurchase agreements) in obligations backed by the federal agencies' securities, with the implicit guarantee of the federal government. Such investments are considered to be the equivalents of cash because they are readily convertible into cash and may not be held for more than approximately three months after purchase. The Pension Trust Funds are authorized to invest in fixed income, equity securities and other types of investments.

Money market investments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost, which approximates fair value. Other investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Asset-backed securities are valued on the basis of future principal and interest payments and are discounted at prevailing interest rates for similar investments. Investment purchases and sales are recorded as of the trade date. These transactions are not finalized until the settlement date, which occurs approximately three business days after the trade date. Cash received as collateral on securities lending transactions and investments made with such cash are reported as assets and as related liabilities for collateral received.

G. RECEIVABLES AND PAYABLES

Taxes receivable are taxes levied by the District and interest and penalties on delinquent taxes, which have not been collected, canceled or abated, less the portion of the receivables estimated not to be collectible. Accounts receivable/payable are amounts owed by/to customers or vendors for goods and services sold or purchased. Intergovernmental receivables/payables are amounts owed by/to other governments, except for goods and services. Interfund receivables/payables or transfers in/out are amounts owed or conveyed between funds in the primary government. Amounts due within one year are classified as Due to/from other funds in the balance sheet. Amounts due after one year are classified as advances. The fund balance is "reserved for advances" to indicate the portion that is not available for expenditure within one year.

H. INVENTORIES

Inventories of supplies on hand at year-end are stated at cost (generally using the weighted-average method). Supplies are recorded as inventory when purchased and as expenditures/expenses when they are consumed or sold.

I. PREPAID AND DEFERRED CHARGES

Payments in advance of the receipt of services are capitalized as prepaid charges at the time of prepayment and recognized as expenditures/expenses when the related services are received.

In governmental fund types, bond discounts (premiums) and issuance costs are recognized in the current period as interest and fiscal charges, respectively. In proprietary fund types, bond discounts (premiums) and issuance costs are capitalized as deferred charges and amortized as fiscal charges over the term of the bonds.

Refunding charges include bond discounts (premiums), issuance costs and payments to escrow agents, less payments to escrow agents made from resources other than proceeds of refunding bonds, and less the face amounts of the refunded bonds. In governmental fund types, refunding charges are recognized in the period of refunding.

J. FIXED ASSETS

General fixed assets are not capitalized in the governmental fund types. Instead, capital outlays are reflected as expenditures in those funds and the related assets are reported in the General Fixed Assets Account Group. Proprietary fixed assets are capitalized in the funds that utilize the assets. All purchased fixed assets are stated at cost when historical records are available and at estimated historical cost when no historical records exist. Assets acquired through capital leases are stated at the lesser of the present value of the lease payments or the fair value of the asset at the date of lease inception. Donated fixed assets are stated at their estimated fair market value on the date received. The costs of maintenance and repairs that do not add to the value of assets or materially extend asset lives are not capitalized. Betterments are capitalized and depreciated over the remaining useful lives of the related fixed assets. Public domain (infrastructure) improvements, such as bridges, curbs, gutters, lights, sidewalks, streets, and similar assets that are immovable and of value only to the District, are capitalized as improvements.

Depreciation of general fixed assets is accumulated in the General Fixed Assets Account Group and no expenditure is reported for this amount in the governmental fund types. Depreciation of proprietary fixed assets is reported as an operating expense in the funds that utilize the assets. Depreciation on proprietary fixed assets acquired through capital grants is closed to Contributed Capital and reported in the operating statements as an adjustment to net income (loss).

Depreciation is computed using the straight-line method over the estimated useful lives of the fixed assets (shown by type below):

Improvements	30	years
Utility plant	60	years
Building	30-50	years
Equipment	3-15	years
Transit system investment	33	years

Interest is capitalized in proprietary fund types on assets constructed with long-term debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred on tax-exempt debt from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period.

K. CAPITAL LEASES

Capital lease commitments for the governmental fund types are reported in the General Long-Term Liabilities Account Group and the related assets are reported in the General Fixed Assets Account Group. Capital lease commitments for proprietary funds are reported in those funds as long-term obligations. The related assets along with the depreciation are also reported in those proprietary funds.

L. RESTRICTED ASSETS AND LIABILITIES

All assets of fiduciary funds are restricted as to use by legal or contractual requirements. The Capital Projects Fund includes certain assets and liabilities arising from dedicated taxes that are legally restricted for certain highway projects. Any excess of restricted assets over liabilities payable from restricted assets is reported as "reserved for net restricted assets" to indicate the portion of the fund balance that is available for the restrictive purposes only.

M. COMPENSATED ABSENCES

Accumulated annual (vacation) leave of governmental funds that is expected to be used by the end of the current calendar year is reported as an expenditure and liability of the General Fund. Accumulated annual leave that is expected not to be used by the end of the current calendar year is reported in the General Long-Term Liabilities Account Group. Accumulated annual leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees.

No liability is recorded for non-vesting accumulating rights to receive sick pay benefits. Unused sick leave is credited at the rate of 22 days equal one month of service at the time of retirement and is added to years of service in the Civil Service Retirement System and in the District Retirement Program.

Accumulated compensatory leave in lieu of paid overtime is reported in the General Long-Term Liabilities Account Group for governmental funds or in the individual fund for proprietary funds.

N. POSTEMPLOYMENT BENEFITS

The cost of providing postretirement health care and life insurance for employees hired before October 1, 1987 is borne by the federal government and the District has no liability for this cost. Employees hired after September 30, 1987 who subsequently retire may be eligible to continue their health care benefit plan (D.C. Code 1-622) and to convert their group life insurance to individual life insurance (D.C. Code 1-623). No liability for the District's portion of the cost of postretirement benefits is recorded and the cost is recognized as an expenditure when the premiums are paid. The District has recognized $104 as expenditures for health and life insurance premiums paid during 1999. As of September 30, 1999, there were 15,814 annuitants who received these benefits.

O. LONG-TERM LIABILITIES

General obligation bonds, revenue bonds and other long-term liabilities directly related to and intended to be paid from Proprietary Funds are included in the accounts of such funds. All other long-term indebtedness of the District, such as disability compensation, compensated absences, employee separation incentives and accreted interest liabilities, which have been incurred but not financed, are reported in the General Long-Term Liabilities Account Group. Such obligations are to be paid through the District's Debt Service Fund.

Under the District of Columbia Self-Government and Governmental Reorganization Act, no long-term general obligation debt (other than refunding debt) may be issued during any fiscal year in an amount which would cause the amount of the principal and interest paid in any fiscal year on all long-term general obligation debt to exceed 14% of the revenues of the fiscal year in which the debt is issued. However, as a result of the National Capital Revitalization and Self-Government Improvement Act of 1997, this debt service limitation increased from 14 to 17 percent. This increase accounted for the decrease in revenues from the repeal of the federal payment in lieu of taxes and the loss of court revenues. The debt service percent is calculated using the highest fiscal year debt service divided by the total revenues.

Capital appreciation bonds are issued with a stated interest rate of zero percent. The associated interest is not paid until the bonds mature. Accreted interest is calculated throughout the maturity periods of the bonds and is recorded in the General Long-Term Liabilities Account Group. The accreted value of such bonds is the current value, taking into account the interest that has been accumulating and automatically reinvested in the bonds.

P. SHORT TERM DEBT

During the year, the District issued and extinguished $230,000 of general obligation tax revenue anticipation notes. The stated interest rate, interest cost, and payment dates for principal and interest were as follows for each note:

Issue Date	Issue Amount	Interest Rate	Interest Cost	Payment Date
11/05/98	$50,000	5.06%	5.39%	11/19/98
11/19/98	$180,000	3.75%	3.49%	09/30/99

Q. CONDUIT DEBT

The District has issued, under its Industrial Revenue Bond Program, private activity bonds for which the principal and interest are payable solely from defined revenues of private entities, such as non-profit organizations. The District has no obligation for this debt beyond resources that may have been provided by related leases or loans. The issuance of such bonds allows these entities to borrow at the municipal bond rate. These bonds provide economic incentive to construct, modernize, or enhance private entity facilities in the District, thereby supporting the economic base of the District. These bonds are conduit debt obligations and accordingly are not recorded as liabilities of the District. As of September 30, 1999, the aggregate outstanding principal amount for these bonds was $2,286,271.

R. FUND BALANCE RESERVATIONS AND DESIGNATIONS

Unreserved fund balance is the amount available for future operations. Reservations of fund balance represent amounts that are legally or statutorily identified for specific purposes, whereas, designations of fund balance represent management's intent to fund future projects, but do not represent a legal or statutory requirement to do so.

The District has established the following reservations as of September 30, 1999:

Fund balance - reserved for long-term assets - This portion of fund balance represents those assets of the District that are not available for appropriation.

Fund balance - reserved for encumbrances - This portion of fund balance represents resources of the District that are encumbered or appropriated for purchase orders or other contractual obligations.

Fund balance - reserved for capital project expenditures - This portion of fund balance represents resources of the District that are to be used for capital projects funded by the Federal Highway Administration.

Fund balance - reserved for future benefits - This portion of fund balance represents resources of the District that are set aside for employee benefit payments from the Unemployment Compensation Expendable Trust and the Pension Trust funds.

S. TAXPAYER AND REVITALIZATION ACTS

Taxpayer Relief Act

The Taxpayer Relief Act of 1997 (PL 105-34) (the Relief Act) provides federal tax and other incentives to stimulate economic development in the District. The Relief Act established the District of Columbia Enterprise Zone (Enterprise Zone) from January 1, 1998 through December 31, 2002. The Enterprise Zone consists of the existing enterprise community plus all other census tracts for which the poverty rate is at least 20%. The Relief Act increases the limitation on tax-exempt economic development bonds to $15,000 and eliminates the federal capital gains tax through December 31, 2007, on business stock, partnership interest, and business property held for more than five years in all census tracts for which the poverty rate is at least 10%. The Relief Act provides a federal income tax credit of no more than $5,000 for qualified first time homebuyers through December 31, 2000.

National Capital Revitalization and Self-Government Improvement Act

The National Capital Revitalization and Self-Government Improvement Act of 1997 (PL 105-33) (Revitalization Act) made significant changes effective October 1, 1997 to the Charter of the District with the objectives of revitalizing the District as the Nation's Capital and improving the prospects for home rule to succeed. The changes have impacted the functions, management and financial condition of the District.

Public Safety

The Revitalization Act transferred certain public safety functions from the District to the federal government. The Federal Bureau of Prisons will be responsible for sentenced adult felons. By October 1, 2001, felons sentenced consistent with federal Truth-in-Sentencing guidelines will be transferred to a facility operated or contracted by the Bureau of Prisons. By December 31, 2001, the District's Lorton Correctional Complex in Virginia will be closed and the property returned to the federal government. During this transition period, the Department of Corrections is overseen by a Corrections Trustee appointed by the U.S. Attorney General in consultation with the Mayor, Council, Financial Responsibility Authority, and representatives of the District's judiciary. The expenditures of the Corrections Trustee are provided by a direct appropriation to the trustee of federal dollars. The District will continue to provide correctional treatment for juvenile and misdemeanor offenders.

The operations of the Superior Court, Appeals Court and Court System have been transferred to the federal government and are included in the federal budget of the Joint Committee on Judicial Administration in the District of Columbia.

The federal government assumed financial responsibility for the D.C. Parole Board, Pretrial Services Agency and Public Defender Service functions. During 1998, the United States Parole Commission assumed responsibility to

grant, deny, or impose conditions on parole for imprisoned felons. By September 30, 2000, a new federal agency, the D.C. Offender Supervision, Defender and Courts Services Agency, will supervise offenders on probation, parole, and supervised release. Upon establishment of this agency, the D.C. Parole Board will be abolished. The Pretrial Services Agency and the Public Defender Service will function as independent entities within the new agency. During the transition, these functions are supervised by an Offender Supervision Trustee, whose expenditures are provided by a direct appropriation to the trustee of federal dollars.

Financial Reforms

The Revitalization Act has made changes that impact the overall financial condition of the District, affecting both revenues and expenditures.

In 1997, the Revitalization Act repealed the authorization for the annual federal payment in lieu of taxes of $660,000. The payment was replaced by a $190,000 federal contribution for the District's general operations in 1998 and an authorization for such amounts thereafter "as may be necessary" to reflect restrictions and unusual costs imposed on the District by the federal government. In 1999, federal appropriations enacted by Congress for the District totaled $683,639.

The federal participation rate for the Medicaid program was 70% for eligible services provided on or after October 1, 1997 (Public Law 105-33). This rate will be effective until revised by the Health Care Financing Administration (HCFA).

With the transfer of the judicial function to the federal government, the District Retirement Program covering judges was transferred to the federal government and the federal government assumed full responsibility for the plan. All assets of the Judges Pension Trust Fund were transferred to the federal government during 1999.

In addition, the federal government assumed full responsibility for benefits under the District's Retirement Program for the pensions of teachers, police officers and fire fighters for service rendered prior to July 1, 1997. The District remains responsible for benefits for services rendered after June 30, 1997, and has revised the plan provisions, as required by the Revitalization Act, that continues the plan under substantially the same terms. Of the assets associated with these plans, the Pension Trust Funds retain $1,275,000 plus contributions made after June 30, 1997 by employees and interest thereon. The remaining assets were transferred to the federal government in 1999. The accrued pension cost of $3,487,998 at the close of 1997 was assumed by the federal government in 1998. Accordingly, any associated accruals are not reflected in the general long-term liabilities account group for 1999.

The Act authorizes borrowing up to $500,000 to finance the accumulated General Fund deficit as of September 30, 1997. The Act further authorizes the District to borrow not more than $300,000 from the U.S. Treasury through 2000 to finance that accumulated deficit provided that the borrowing is "provided in advance in annual appropriation acts," the District is effectively unable to reasonably obtain financing in the private market and other conditions are met.

T. FUTURE CASH POSITION AND RESULTS OF OPERATIONS

As of the beginning of fiscal year 1999, the District had projected cash requirements in excess of regular projected receipts of approximately $140 million during the fiscal year. To cover these projected cash flow needs, the District issued general obligation tax revenue anticipation notes of $180 million in November 1998, which were repaid in September 1999.

Prior to the development of the Public Benefit Corporation, D. C. General Hospital had an accumulated cash deficit of $85,000. The Public Benefit Corporation was relieved of these obligations as a result of an agreement with the District in 1998 that eliminated $55,000 of this debt and the enactment of the Service Improvement and Fiscal Year 2000 Budget Support Act (D. C. Law 13-38) through which the remaining deficit was relieved.

NOTE 2. CASH AND INVESTMENTS

A. CASH

At year-end, the carrying amount of the deposits was $479,475 for the primary government and $30,614 for the component units, and the bank balance was $543,127 and $46,874 , respectively. As required by law and except as

follows, the bank balance was entirely insured or collateralized with securities held by the District or by its agent in the District's name.

B. INVESTMENTS

The financial reporting entity's investments are categorized as either (1) insured or registered, with securities held by the District or its agent in the District's name or (2) uninsured and unregistered, with securities held by the counterparty's trust department or agent in the District's name. The District holds no investments that are uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the District's name. Investments not evidenced by securities that exist in physical or book entry form are not categorized. Investments by type and category at September 30, 1999 follow.

Investment Type	Category 1	Category 2	Carrying Amount	Fair Value
PRIMARY GOVERNMENT:				
Pooled investments:				
Repurchase agreements	$ 532,683	-	532,683	532,683
Subtotal	**532,683**	-	**532,683**	**532,683**
Pension Trust Funds:				
Investments - held by Board's agent in Board's name				
Cash and cash equivalents		-		
Equities (of which $1,167 on securities loan with securities and other collateral)	1,035,254	-	1,035,254	1,035,254
Fixed income security (of which $21,538 on security loan with securities and other collateral)	255,618	-	255,618	255,618
Real estate	4,607	-	4,607	4,607
Payable on investment transactions	-		-	-
Subtotal	1,295,479	-	1,295,479	1,295,479
Investments - not categorized:				
Investments - held by broker-dealer under securities				
Loans with cash collateral:				
Equities			72,865	72,865
Fixed income security			35,050	35,050
Securities lending collective investment pool			111,094	111,094
Subtotal			219,009	219,009
Total pension trust funds	**1,295,479**	-	**1,514,488**	**1,514,488**
Other:				
U.S. Government securities	663,927	-	663,927	663,927
Repurchase agreements	3,409	-	3,409	3,409
Corporate securities	-	12,470	12,470	12,470
Subtotal	**667,336**	**12,470**	**679,806**	**679,806**
Mutual Funds			**39,128**	**39,128**
Total primary government	**$ 2,495,498**	**12,470**	**2,766,105**	**2,766,105**
COMPONENT UNITS:				
U.S. Government securities	561,830	202,102	763,932	763,932
Repurchase agreements	74,178	-	74,178	74,178
Corporate securities	82,164	161,430	243,594	243,594
Cash and cash equivalents	-	-	-	-
Subtotal	**718,172**	**363,532**	**1,081,704**	**1,081,704**
Mutual Funds			**65,500**	**65,500**
Total component units	**$ 718,172**	**363,532**	**1,147,204**	**1,147,204**
Total reporting entity			**$ 4,423,398**	**4,423,398**

C. DERIVATIVE INVESTMENTS

Derivatives are generally defined as contracts, the values of which depend on or derive from the value of an underlying asset, reference rate, or index. Derivative investments generally contain exposure to market risk resulting from fluctuations in interest and currency exchange rates or changes in the price or principal value of a security. The investment credit risk results from the creditworthiness of the counterparties to the contracts and, for asset backed securities and collateralized mortgage obligations, the creditworthiness of the related consumers and mortgagees. The Retirement Board believes that all contracts are legally permissible in accordance with its policy.

During 1999, the Pension Trust Funds (the Funds), in accordance with the policy of the Retirement Board, invested in various derivative instruments either to increase potential earnings or to hedge against potential losses. These included foreign currency forward contracts, mortgage backed security pools, collateralized mortgage obligations, asset backed securities and floating rate notes, interest only treasury securities, bond options and futures, and equity index futures.

Forward foreign currency contracts are used for defensive purposes only. These contracts hedge a portion (25% maximum) of the Funds' exposure to particular currencies on occasions when significant adverse short-term movements in exchange rate levels are expected. The foreign currency contracts can pose market risk when the maximum potential loss on a particular contract is greater than the value of the underlying investment. Market risks arise due to the possible movements in the foreign exchange rates underlying the forward currency contracts. Market risk is managed by only dealing with counterparties with short-term credit ratings of A1 or P1.

The Funds used mortgage backed securities (MBS), forward contracts for mortgage backed securities (TBA-MBS), collateralized mortgage obligations (CMOs), asset backed securities (ABS), structured notes, stripped/zero coupon bonds and floating rate notes primarily to increase potential returns. Investing in an MBS is similar to investing in a pool of mortgage loans. An MBS offers investors higher yields with higher market risk compared to comparable U.S. Treasury securities. A CMO may have higher or lower yields with less or more market risk than a comparable MBS. An ABS offers higher potential yields than comparable U.S. Treasuries with additional market risk. Market risk is managed by monitoring the duration of the investments. Credit risk is managed by monitoring the collateral of each security and any related guarantee. Forward contracts to purchase MBS (also referred to as TBA-MBS) are used by the Funds with the expectation of raising the effective yield on mortgage holdings versus holding an MBS outright. It is assumed that TBA-MBS positions have duration and convexity characteristics similar to those of an MBS with identical coupons and maturities. This ensures the portfolio's sensitivity to interest rate changes does not increase beyond that which is allowed by the Retirement Board's investment policies. TBA-MBS agreements carry a degree of counterparty risk, which is reduced to low levels by transacting only with primary dealers.

Floating rate notes (securities that pay an interest rate tied to an index) are subject to market risk to the extent of the movement of the underlying index in relation to market rates. A downward movement in the underlying index would negatively impact the interest income received on this security. Upward movements in interest rates do not adversely affect floating rate notes as much as fixed rate securities. Thus, the floating rate notes may be used as a hedge against upward changes in interest rates.

The Funds also used structured notes with step-up coupons that pay interest according to a pre-set series of interest rates that start at one rate and then step up to higher rates on specific dates. Additionally, the Funds invested in stripped/zero coupon bonds, purchased at a discount, that do not pay any interest rate. Such securities offer higher yields than comparable U.S. Treasury notes in exchange for higher market and/or credit risks.

At least one of the commingled funds used by the Funds used equity index futures to gain exposure to U. S. equity markets in a more efficient and liquid manner. Equity index futures can pose market risk when the maximum potential loss on a particular contract is greater than the value of the underlying investment. Credit risk relates mostly to the risk of dealing with futures exchanges.

Exchange traded and over-the-counter bond options were purchased during the year, primarily to gain exposure to underlying bond positions. All positions were purchases, limiting market risk to the cost of the option, and all options were sold or expired prior to year-end. Credit risk is minimized by trading via exchanges and investment grade counterparties.

Warrants were used by the Funds to gain equity exposure and to enhance performance. Issuers often distribute warrants to holders of common stock and bonds. The warrants are held for the same fundamental reasons as the

original common stock and/or bond holdings. Market risk is limited to the purchase cost, if any. Credit risk is similar to the underlying equity and/or bond holdings.

The Pension Trust Funds also hold derivative instruments indirectly by participating in mutual funds or investment pools that hold derivatives. Information regarding any risks associated with these holdings is generally not available.

At September 30, 1999, the Pension Trust Funds portfolio included $171,807 of derivative instruments, or 9.4% of the pension investment portfolio. The proportion of derivative instruments varied at times throughout the year. Further information regarding balances throughout the year is not available. Derivative investments by type at September 30, 1999 are as follows.

Investment Instrument Type		Fair Value
Mortgage backed security pools	$	15,032
Collateralized mortgage obligations		7,924
Asset backed securities		12,537
Floating rate notes		27,102
Mortgage backed securities forward contracts		107,935
Structured notes (including stripped securities)		2,507
Foreign currency futures contracts, net (sales $1,230)		(1,230)
Total derivatives	$	171,807

As of September 30, 1999, the Housing Finance Agency, through its Single-Family Program Fund, held $198,702 in Government National Mortgage Association (GNMA) certificates, which are classified as mortgage-backed securities.

D. SECURITIES LENDING TRANSACTIONS

In accordance with District statutes and the Retirement Board's policies, the pension trust funds participated in securities lending transactions. During 1999, the Retirement Board loaned securities and received collateral in the form of currency, securities issued or guaranteed by the United States government and sovereign debt of Organization of Economic Cooperation and Development countries. The collateral could not be pledged or sold unless the borrower defaulted on the loan. The value of the collateral was at least 102% of the market value of the loaned securities if those securities were sovereign debt issued by a foreign government, denominated in United States dollars or their primary trading market was located in the United States. The value of the collateral was at least 105% of the market value of all other loaned securities.

The cash collateral received on each loan was invested, together with the cash collateral of other qualified tax-exempt plan lenders, in a collective investment pool. At September 30, 1999, the investment pool had an average duration of 70 days and an average weighted maturity of 277 days. Because the loans were terminable at will, their duration did not generally match the duration of the investments made with cash collateral.

During 1999, the Retirement Board did not restrict the amount of loaned securities. No failure to return loaned securities or to pay distributions occurred during the year, and no losses were incurred from a default of a borrower or the master custodian. The Retirement Board and the borrowers had the right to terminate on demand the securities lending transactions. The pension trust funds had no credit risk exposure to borrowers as of year-end. As of September 30, 1999, the pension trust funds held $134,420 of collateral against $130,620 of loaned securities.

At the close of 1999, gross earnings from securities lending transactions totaled $15,266. The income (net of amortization and accretion), the net realized/unrealized gain attributable to discount and premium, and the net increase in net assets resulting from operations totaled $12,337, $2,930 and $15,267, respectively. The pension trust funds net earnings on securities lending transactions totaled $469 in 1999.

NOTE 3. INTERFUND AND COMPONENT UNIT RECEIVABLES AND PAYABLES AND OTHER RECEIVABLES

A. INTERFUND AND COMPONENT UNIT RECEIVABLES AND PAYABLES

Interfund receivable and payable balances for each individual fund and component unit at September 30, 1999 follow.

Fund or Component Unit	Primary Government/ Component Units		Interfund	
	Receivables	Payables	Receivables	Payables
General	$ 44,236	43,360	195,395	590
Financial Responsibility Authority	-	-	546	5,446
Capital Projects	-	-	469,426	-
Unemployment Compensation	-	-	1,117	1,073
Financial Responsibility Authority Fund	-	5,890	5,446	663,484
Pension Trust	-	-	1,610	2,947
Public Benefit Corporation	-	42,059	-	-
Water and Sewer	38,590	-	-	-
Convention Center	4,794	-	-	-
Sports Commission	-	2,177	-	-
University	5,866	-	-	-
Total	**$ 93,486**	**93,486**	**673,540**	**673,540**

B. OTHER RECEIVABLES

Taxes and accounts receivable are valued at their estimated collectible amount. A summary of these receivables follows.

	General Fund	Capital Projects	Enterprise	Trust and Agency
Gross Receivable:				
Taxes	$ 308,999	-	-	-
Accounts	260,411	15,103	3,414	17,537
Total gross receivable	**569,410**	**15,103**	**3,414**	**17,537**
Less-allowance for uncollectibles	161,798	-	456	-
Total net receivable	**$ 407,612**	**15,103**	**2,958**	**17,537**

NOTE 4. FIXED ASSETS

A. GENERAL FIXED ASSETS BY CLASS

A summary of changes in general fixed assets by asset class and resources invested follows.

Asset Class	Balance October 1, 1998	Acquisitions	Transfers/ Dispositions	Balance September 30 1999
Land	$ 241,429	-	(1,141)	240,288
Improvements	2,108,861	-	106,080	2,214,941
Buildings	2,294,588	1,095	(4,021)	2,291,662
Equipment	303,753	15,826	22,126	341,705
Construction in progress	35,902	356,450	(301,103)	91,249
Transit system infrastructure	803,778	-	12,000	815,778
Total	**5,788,311**	**373,371**	**(166,059)**	**5,995,623**
Less-accumulated depreciation	(2,493,409)	(162,552)	38,370	(2,617,591)
Net general fixed assets	**$ 3,294,902**	**210,819**	**(127,689)**	**3,378,032**
Governmental	$ 2,416,907	166,288	(125,971)	2,457,224
Intergovernmental	877,995	44,531	(1,718)	920,808
Total resources invested	**$ 3,294,902**	**210,819**	**(127,689)**	**3,378,032**

Acquisitions consist of expenditures from the General Fund totaling $16,921 and from the Capital Projects Fund totaling $356,450. When a project is completed, costs in the construction in progress account are transferred to one or more of the other asset classes or are removed.

B. GENERAL FIXED ASSETS BY FUNCTION

A summary of changes in general fixed assets by function follows.

Function	Balance October 1, 1998	Acquisitions	Transfers/ Dispositions	Balance September 30 1999
Governmental direction and suppor	$ 444,398	1,231	25,856	471,485
Economic development and regulatio	132,477	1,674	233	134,384
Public safety and justice	683,244	8,115	16,155	707,514
Public education system	695,494	3,979	(4,303)	695,170
Human support services	445,920	980	(18,401)	428,499
Public works	2,547,098	942	103,505	2,651,545
Construction in progress	35,902	356,450	(301,103)	91,249
Transit system infrastructure	803,778	-	11,999	815,777
Total	**$ 5,788,311**	**373,371**	**(166,059)**	**5,995,623**

C. ENTERPRISE FUNDS FIXED ASSETS

A summary of changes in enterprise funds fixed assets by asset class follows.

Asset Class	Balance October 1, 1998	Acquisitions	Transfers/ Dispositions	Balance September 30 1999
Equipment	$ 3,048	106	-	3,154
Total	**3,048**	**106**	**-**	**3,154**
Less-accumulated depreciation	(2,521)	(233)	-	(2,754)
Net fixed assets	**$ 527**	**(127)**	**-**	**400**

D. DISCRETELY PRESENTED COMPONENT UNITS FIXED ASSETS

A summary changes in discretely presented component unit fixed assets by asset class and contributed capital follows.

Asset Class	Balance October 1, 1998	Acquisitions	Transfers/ Dispositions	Balance September 30 1999
Land	$ 41,354	420	-	41,774
Utility plant	1,480,706	3,178	70,570	1,554,454
Buildings	341,579	103	710	342,392
Equipment	126,826	3,099	261	130,186
Construction in progress	124,771	191,257	(96,195)	219,833
Total	**2,115,236**	**198,057**	**(24,654)**	**2,288,639**
Less-accumulated depreciation	729,429	41,060	(9,377)	761,112
Net fixed assets	**$ 1,385,807**	**156,997**	**(15,277)**	**1,527,527**
Governmental	$ 479,978	1,094	(4,975)	476,097
Intergovernmental	224,847	9,245	(9,933)	224,159
Total contributed capital	**$ 704,825**	**10,339**	**(14,908)**	**700,256**

Acquisitions include $254 from the Capital Projects Fund.

E. CONSTRUCTION IN PROGRESS

A summary of construction in progress by function at September 30, 1999 follows.

Function	Number of Projects	Authorizations	Expenditures	Unexpended Balances
Governmental direction and suppor	6	$ 185,185	73,612	111,573
Master lease program * (note 9)		11,900	1,621	10,279
Public safety and justice	4	27,441	8,293	19,148
Public education system	2	202,157	3,098	199,059
Human support services	5	69,845	3,321	66,524
Public works	3	9,376	1,304	8,072
Total general	**20**	**$ 505,904**	**91,249**	**414,655**
Water and sewer	32	$ 472,273	83,661	388,612
Convention center	1	136,172	136,172	-
Total component units	**33**	**$ 608,445**	**219,833**	**388,612**

*Includes construction of trucks, emergency vehicles and other similar fire apparatus and medical services equipment.

NOTE 5. LONG TERM LIABILITIES

A. LONG-TERM DEBT

Long-term debt of the primary government, which was comprised of original, refunding and funding issues of serial/term general obligation bonds payable to the public, totaled $3,241,244 at September 30, 1999. A portion of this debt ($107,662) at September 30, 1999 is the statutory responsibility of the Water and Sewer Authority (WASA), and is therefore included as part of WASA's total long-term obligations. The bonds are secured by the full faith and credit of the District and by deposits with banks of a special real property tax for payment of bond principal and interest. At September 30, 1999, cash and investments with fiscal agents for 2000 debt service payments were $213,473.

On July 15,1999, the District issued $241,190 in serial and term bonds with various interest rates and maturities (Series 1999A) and $685,715 of general obligation refunding bonds (Series 1999B) for a total of $926,905. Bond proceeds of $708,612 included the 1999B bonds of $685,715, a premium of $18,583 and a residual amount of $4,314 in bond proceeds from the 1999A issuance. These proceeds were used to pay issuance costs totaling $4,314 (Series 1999A) and $6,903 (Series 1999B), to fund FY 1999 capital project expenditures in the amount of $236,876 in accordance with the FY 1999 Budget and Financial Plan and to legally defease general obligation bonds payable of $658,192. For financial reporting purposes, this debt has been considered defeased and therefore removed as a liability from the General Long-Term Liabilities Account Group. The effective interest rate for the bonds was 5.23%.

As part of the refunding transaction described above, a portion of WASA's general obligation bonds totaling $425 were refunded. The District and WASA entered into an agreement stipulating that WASA will reimburse the District for the debt service principal in the years 2000 and 2001 in the amount of $210 and $215, respectively. The amount payable to the District is included as part of WASA's long-term debt at September 30, 1999. The refunding gave rise to an economic gain of $5,185 resulting from reduced future interest payments.

This refunding resulted in the following:

Prior Debt Service	Debt Service Refunding	Refunding Receipts	Refunding Net Cash Flow	Net Savings
$815,719	$1,032,809	$2,788	$1,030,021	($214,301)

A summary of changes in general long-term bonds for which the primary government is responsible follows.

	Component Unit - WASA		General Obligation		
	Notes	Bonds	Notes	Bonds	Total
Debt payable at October 1, 1998	$ -	**114,122**	-	**3,091,403**	**3,205,525**
Bond proceeds:					
Series 1999A (improving)	-	-	-	241,190	**241,190**
Series 1999B (refunding)	-	-	-	685,715	**685,715**
Total	-	**114,122**	-	**4,018,308**	**4,132,430**
Debt payments:					
Principal matured	-	6,035	-	226,534	**232,569**
Principal refunded	-	425	-	658,192	**658,617**
Debt payable September 30, 1999	-	**107,662**	-	**3,133,582**	**3,241,244**
Less-current maturities	-	7,515	-	35,000	**42,515**
Long term debt	$ -	**100,147**	-	**3,098,582**	**3,198,729**

A summary of principal and interest requirements to maturity of general long-term debt for which the primary government is responsible follows.

	Component Unit - WASA		General Obligation		
Year Ending September 30	Principal	Interest	Principal	Interest	Total
2000	$ 7,515	5,796	181,248	165,744	360,303
2001	8,965	5,386	163,610	163,550	341,511
2002	12,147	4,923	157,613	151,524	326,207
2003	13,511	4,292	173,809	142,968	334,580
2004	14,432	3,551	176,053	134,423	328,459
2005-2009	45,907	7,291	1,016,073	517,036	1,586,307
2010-2014	5,185	400	759,286	313,704	1,078,575
2015-2018	-	-	505,890	219,241	725,131
Total	**$ 107,662**	**31,639**	**3,133,582**	**1,808,190**	**5,081,073**

The District has made provisions to retire $35,000 of general obligation debt in advance of its scheduled maturity date. This unscheduled principal retirement is not reflected in the above amortization of general obligation debt and is recorded as a general fund liability at September 30, 1999.

Water and Sewer Authority

The Water and Sewer Unit derives its funding for capital projects from the issuance of revenue bonds, District general obligation bonds, notes payable to the federal government, contributions from the Intermunicipal Agreement (IMA) and various other sources. Notes payable to the federal government for capital improvements to the Washington Aqueduct are specifically secured by user charges assessed on retail customers. The interest rates, which range from 4.75% to 5.89% during 1999, are reset each quarter as determined by the U.S. Treasury and are based on a comparable three-month taxable special fund obligation. Debt outstanding at September 30, 1999 totaling $415,885 included a net unamortized bond premium of $6,654 and a remaining principal balance of $409,231.

A summary of principal and interest requirements to maturity of the long-term debt of the Water and Sewer Authority follows:

Year Ending September 30	Principal	Interest	Total
2000	$ 8,595	22,362	30,957
2001	10,158	21,871	32,029
2002	13,287	21,326	34,613
2003	14,450	20,615	35,065
2004	15,263	19,820	35,083
2005 - 2009	77,553	87,477	165,030
2010 - 2014	66,925	69,388	136,313
Thereafter	203,000	85,788	288,788
Subtotal	409,231	348,647	757,878
Unamortized Bond Premium	6,654	-	6,654
Total	**$ 415,885**	**348,647**	**764,532**

Housing Finance Agency

Long-term debt consists of term and serial bonds which are subject to redemption at the option of the Housing Finance Agency in accordance with the terms of the respective bond indenture and bond resolution, in whole or in part, on various dates at prescribed redemption prices. Included in certain bond issues are capital appreciation bonds. The principal amount of these bonds appreciates either annually or semiannually, compounding on the original principal balance. These bonds are recorded in the financial statements at their current appreciated amounts.

Bonds have been issued to provide financing for the agency's housing programs and are collateralized by:

- Mortgage loans made on the related developments or single-family residential mortgage loans purchased.
- Substantially all revenues, mortgage payments, and recovery payments received by the agency from mortgage loans made on the related developments.
- Certain accounts, generally debt service reserve funds, established pursuant to the indenture authorizing issuance of the bonds.

The agency has the option to redeem the various bonds at premiums ranging up to 5%. This option generally cannot be exercised until the bonds have been outstanding for ten years as provided in the various indentures. Term bonds are generally subject to redemption, without premium, from mandatory sinking fund payments.

Amounts payable subsequent to 1999, when actually due, will include additional accretion on capital appreciation bonds and the effects of amortization of both premium and discount.

A summary of principal and interest requirements to maturity of the long-term debt of the Housing Finance Unit follows.

Year Ending September 30		Principal	Interest	Total
2000	$	55,711	33,214	88,925
2001		3,881	31,944	35,825
2002		3,980	31,829	35,809
2003		15,675	31,127	46,802
2004		11,500	30,777	42,277
Thereafter		463,003	593,380	1,056,383
Subtotal		553,750	752,271	1,306,021
Unamortized Bond Premium		1,068	-	1,068
Total	**$**	**554,818**	**752,271**	**1,307,089**

Several component units have long-term obligations for which the District does not bear primary responsibility. These are discussed briefly below.

Washington Convention Center

On September 29, 1998, the Convention Center Unit issued $524 million in lien dedicated tax revenue serial and term bonds at various interest rates and maturities. The proceeds will be used to construct and equip the new Convention Center. The bonds are special obligations of the Convention Center and not a debt or pledge of the District Government. At September 30, 1999, the unamortized bond discount was $6,764 and bond issuance costs to be amortized over the bond maturity were $10,300. The first interest payment was made in April 1999. As of September 30, 1999, pledged investments of $577,964 were held by the bond trustee in compliance with the debt service and reserve account requirements. A summary of principal and interest requirements to maturity of the long-term debt of the Convention Center follows.

Year Ending September 30		Principal	Interest	Total
2000	$	-	28,114	28,114
2001		-	25,952	25,952
2002		-	25,952	25,952
2003		-	25,952	25,952
2004		10,225	25,952	36,177
2005 - 2009		58,830	122,043	180,873
2010 - 2014		75,535	105,336	180,871
Thereafter		379,870	162,741	542,611
Total	**$**	**524,460**	**522,042**	**1,046,502**

B. OTHER LONG TERM LIABILITIES

A summary of changes in other long-term liabilities follows.

Account	Balance October 1, 1998	Additions	Deductions	Balance September 3 1999
Component Unit:				
Deferred revenue	$ 327,470	17,265	-	344,735
Capital leases payable (Note 9)	2,400	-	75	2,325
Total	**$ 329,870**	**17,265**	**75**	**347,060**
Enterprise:				
Prize annuities payable	**$ 93,103**	**-**	**12,466**	**80,637**
General:				
Accrued disability compensation (Note 1	$ 294,599	62,104	158,418	198,285
Accumulated annual leave	54,842	7,377	5,782	56,437
Accumulated compensatory leave	7,378	-	7,378	-
Deferred compensation	16,316	-	-	16,316
Accreted interest	42,900	-	26,801	16,099
Capital leases payable (Note 9)	124,181	13,923	5,915	132,189
Construction contracts payable (Note 4)	41	40	71	10
Total	**$ 540,257**	**83,444**	**204,365**	**419,336**

NOTE 6. TRUST AND AGENCY FUNDS

A. UNEMPLOYMENT COMPENSATION

The District sponsors the state Unemployment System for the District of Columbia, which is administered by the Office of Unemployment Compensation within the Department of Employment Services and is accounted for as a separate Unemployment Compensation Trust Fund. The fund pays benefits to unemployed former employees of the District and federal governments and private employers who employ individuals in the District. The District and federal governments reimburse the fund for benefits paid by it to their respective unemployed former employees. Private employers contribute to the fund at statutory rates. Administrative costs of the system are paid by the General Fund and reimbursed by a federal grant. The fund had a total reserved fund balance for future benefits of $220,662 at September 30, 1999.

B. DEFINED BENEFIT PENSION PLANS

Plan Descriptions

The federal government administers the Civil Service Retirement System (5 U.S.C. 8331) which covers permanent full-time employees hired before October 1, 1987 (except those covered by the District Retirement Program) and the Social Security System (42 U.S.C. 301) which covers all other employees (except those covered by the District Retirement Program).

Effective for the first pay period ended on or after October 1, 1997, the Balanced Budget Act of 1997 (Public Law 105-33) mandated an increase in the agency contribution for most Civil Service covered employees from 7% to 8.51% (9.01% for law enforcement officers and firefighters). The agency contribution rate will revert to 7.5% in October 2002, and then back to 7% in January 2003. The employee contribution rate for Civil Service covered employees changed to 7.25% on January 20, 1999.

District contributions to the pension plans administered by the federal government, for the years ended September 30, 1999 and 1998, were as follows. The District has no further liability to these plans.

Plan	Rate	Employees		1999	1998
Civil Service	8.51 %	9,450	$	33,245	33,231
Social Security	7.65	10,250		34,417	30,553
Total		**19,700**	**$**	**67,662**	**63,784**
Total payroll			$	1,492,649	1,458,251

The District Retirement Programs (D.C. Code 4-601, 11-1561, 31-1201) are single employer defined benefit pension plans administered by the Retirement Board and accounted for as pension trust funds. Each of the two plans provides retirement, death and disability benefits, and annual cost of living adjustments to plan members and beneficiaries. Administrative costs of the Retirement Board are financed by the funds. Administrative costs of benefit payments and census data are financed and recorded by the General Fund of the District. Each plan issues a publicly available financial report that includes financial statements and required supplementary information for that plan. Those reports may be obtained through written request to the District of Columbia Retirement Board, Executive Director, 1400 L Street, NW, Suite 300, Washington, D.C., 20005.

Funding Policy

The Retirement Board established and may amend the contribution requirements of plan members and the District for each plan. The District's annual pension cost for the current year is as follows:

	Police and Fire	Teachers
Contribution rates		
Plan members	7% - 8%	7% - 8%
Annual pension cost (millions)	$35.1	$18.6
Contributions made (millions)	$35.1	$18.6
Actuarial valuation date	10/01/97	10/01/97
Actuarial cost method	*Aggregate	*Aggregate
Asset valuation method	Market value	Market value
Actuarial assumptions:		
Investment rate of return	7.25%	7.25%
Projected salary increases	5.5 - 8.8%	5.3 - 8.8%
Inflation rate	5%	5%
Cost of living adjustments	5%	5%

* The aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities.

Pension Cost

Due to the changes in the District's retirement plan because of the impact of the Revitalization Act, only one year of annual pension cost and required supplementary information is provided:

	Year Ended	Annual Pension Cost (APC) (millions)	Percentage of APC Contributed	Net Pension Obligation
Police and Fire	09/30/99	$35.1	100%	$0
Teachers	09/30/99	$18.6	100%	$0

The District made its actuarially required contribution of $35.1 million to the Police and Fire Fighters Plan and $18.6 million to the Teacher's Plan during the year ended September 30, 1999. The fiscal year 1999 ARC, based on the actuarial valuation as of October 1, 1997, reflected a contribution amount of $12,800 to the Teachers' Plan for that

year. During 1998, the District of Columbia Public Schools began offering an early retirement program. The actuarially certified amount for the increase in the District's payment to the Teachers' Retirement Fund, as a result of this benefit change, was $5,800.

C. DEFINED CONTRIBUTION PENSION PLAN

The District sponsors a defined contribution pension plan (D.C. Code 1-627) with a qualified trust under Internal Revenue Code section 401(a) for permanent full-time employees covered by the Social Security System. The District contributes 5% (5.5% for detention officers) of base salaries each pay period. Employees do not contribute to the plan and are eligible to participate after 1 year of service. The District contributed $14,202 and $13,285 in 1999 and 1998, respectively, on covered payroll of $289,816 and $248,435. Contributions and earnings vest fully after four years of service following a one-year waiting period. Contributions and earnings are forfeited if separation occurs before five years of credited service. Contributions are not assets of the District, which has no further liability to this plan.

D. DEFERRED COMPENSATION PLANS

The District offers its employees a deferred compensation plan (D.C. Code 47-3601) created in accordance with Internal Revenue Code Section 457. Employees, other than teachers, may defer up to 25% of their annual compensation, not to exceed $8,000. Compensation deferred and income earned are taxable when paid or made available to the participant or beneficiary upon retirement, death, termination or unforeseeable emergency. Contributions are not assets of the District, which has no further liability to this plan.

The District sponsors an annuity purchase plan (D.C. Code 31-1252) with insurance companies and other issuers under Internal Revenue Code section 403 for public teachers covered by the District Retirement Program. Employees may defer up to $10,000 of their annual compensation and employees with more than fifteen years of service may defer up to $13,000. The District does not contribute to the plan. Contributions vest immediately and are not assets of the District, which has no liability to this plan.

NOTE 7. AFFILIATED ORGANIZATIONS

A. COMPONENT UNITS

The financial reporting entity includes six component units that sell services to the public on a continuing basis. The District is not liable for the debts of the Convention Center, Sports Commission, or Housing Finance Agency, and their bonds, if any, are payable solely from defined revenues and assets of the unit. Through 1996, the Water and Sewer Authority's long-term capital financing was provided by general obligation bonds and notes payable to the federal government issued by the District and repaid from operating revenues of that component unit. Thereafter, bonds issued by the unit are not general obligations of the District and are payable solely from defined revenues and assets of the unit. However, the District may issue new general obligation bonds to refinance prior issuances. Certain tax revenues are dedicated to the Convention Center and Sports Commission.

Condensed balance sheets of the component units at September 30, 1999 follow.

Account	Public Benefit Corporation	Water and Sewer	Convention Center	Sports Commission	Housing Finance	University	Total
Current assets	$ 45,178	310,349	615,348	20,537	396,669	53,923	1,442,004
Long term assets	-	60,618	17,089	-	216,437	-	294,144
Fixed assets, net	39,264	1,179,818	226,072	7,331	3,003	72,039	1,527,527
Total assets	**$ 84,442**	**1,550,785**	**858,509**	**27,868**	**616,109**	**125,962**	**3,263,675**
Current liabilities	$ 67,816	120,014	34,533	3,275	85,052	35,890	346,580
Long-term liabilities	-	752,025	524,460	-	501,432	-	1,777,917
Total liabilities	**67,816**	**872,039**	**558,993**	**3,275**	**586,484**	**35,890**	**2,124,497**
Contributed capital	119,816	397,753	95,361	15,715	-	71,611	700,256
Retained earnings (deficit)	(103,190)	280,993	204,155	8,878	29,625	18,461	438,922
Total equity	**16,626**	**678,746**	**299,516**	**24,593**	**29,625**	**90,072**	**1,139,178**
Total liabilities and equity	**$ 84,442**	**1,550,785**	**858,509**	**27,868**	**616,109**	**125,962**	**3,263,675**

Condensed statements of revenues, expenses and changes in retained earnings of the component units for the fiscal year ended September 30, 1999 follow.

Account	Public Benefit Corporation	Water and Sewer	Convention Center	Sports Commission	Housing Finance	University	Total
Operating revenues	$ 134,284	242,632	12,170	6,072	11,569	18,626	425,353
Operating expenses:							
Depreciation	5,476	28,227	1,887	947	128	4,395	41,060
Other	153,803	168,259	14,754	5,515	28,226	81,244	451,801
Operating income (loss)	**(24,995)**	**46,146**	**(4,471)**	**(390)**	**(16,785)**	**(67,013)**	**(67,508)**
Nonoperating revenues, net	-	(16,903)	25,265	-	7,917	12,905	29,184
Transfers from primary government	46,842	-	51,145	-	-	50,148	148,135
Net income (loss)	**21,847**	**29,243**	**71,939**	**(390)**	**(8,868)**	**(3,960)**	**109,811**
Depreciation added back	-	4,235	-	-	-	4,395	8,630
Retained earnings (deficit) at October 1	(125,037)	247,515	132,216	9,268	38,493	18,026	320,481
Retained earnings (deficit) at September 30	**$ (103,190)**	**280,993**	**204,155**	**8,878**	**29,625**	**18,461**	**438,922**

Condensed statements of cash flows of the component units for the fiscal year ended September 30, 1999 follow.

Account	Public Benefit Corporation	Water and Sewer	Convention Center	Sports Commission	Housing Finance	University	Total
Operating activities	$ (45,952)	124,221	20,758	463	(5,508)	(52,409)	41,573
Capital and related financing activities	(1,044)	(38,017)	(108,981)	(257)	(697)	(344)	(149,340)
Noncapital financing activities	46,996	(7,972)	44,572	-	(9,060)	58,294	132,830
Investing activities	-	13,676	30,715	-	15,232	(101)	59,522
Increase (decrease) in cash	**-**	**91,908**	**(12,936)**	**206**	**(33)**	**5,440**	**84,585**
Cash and investments at October 1	-	55,748	618,269	19,620	379,750	19,846	1,093,233
Cash and investments at September 30	**$ -**	**147,656**	**605,333**	**19,826**	**379,717**	**25,286**	**1,177,818**

Complete financial statements can be requested for each unit as follows.

Public Benefit Corporation	District of Columbia Health and Hospitals Public Benefit Corporation Executive Director 19th & Massachusetts Avenue, SE Washington, D.C. 20003
Water and Sewer	Water and Sewer Authority General Manager 5000 Overlook Avenue, SW Washington, D.C. 20032
Convention Center	Washington Convention Center Authority General Manager 900 Ninth Street, NW Washington, D.C. 20005
Sports Commission	Sports Commission Authority General Manager 2001 East Capitol Street, SE Washington, D.C. 20003

Housing Finance	D.C. Housing Finance Agency Executive Director 815 Florida Avenue, NW Washington, D.C. 20001
University	University of the District of Columbia President Van Ness Campus 4200 Connecticut Avenue, NW Washington, D.C. 20008

B. RELATED ORGANIZATIONS

Upon its creation in 1995, the District of Columbia Housing Authority assumed the assets and liabilities of the Department of Public and Assisted Housing, which was abolished. The Department of Public and Assisted Housing had recorded outstanding receivables from the U.S. Department of Housing and Urban Development for expenditures that were financed by the General Fund of $3,702 and by the Capital Projects Fund of $15,906. This amount is recorded in the General Fund as an account receivable from the Housing Authority. Collection by the General Fund is contingent upon the Housing Authority collecting from the U.S. Department of Housing and Urban Development. The Housing Authority asserts that this receivable is not valid. Accordingly, the General Fund has fully reserved as uncollectible this receivable from the Housing Authority.

The District of Columbia Redevelopment Land Agency, a separate legal entity but part of the Department of Housing and Community Development, is an instrumentality of the District (D.C. Code 5-801 and 803) with broad powers to promote redevelopment in blighted areas of the District. The agency was authorized to issue debt to finance certain site acquisition, preparation and infrastructure costs for the privately financed MCI Center arena and to receive certain dedicated tax revenues to service the debt (D.C. Law 10-128 et al and Public Law 104-28). Between September and December 1995, the agency drew $36,517 of bank loans, pending the issuance of special tax revenue bonds in the amount of $59,950, which were issued January 11, 1996. The bank loans were repaid on the date of the issuance of the bonds. These loans were not general obligation debts of the District and were payable solely from dedicated tax revenues and certain ground lease payments to the agency associated with the arena. The income derived from both revenue sources had been such that debt payments could be accelerated, with payments being made before the required scheduled redemption period.

C. JOINT VENTURE

The Washington Metropolitan Area Transit Authority was created, effective February 20, 1967, by Interstate Compact by and between Maryland, Virginia and the District of Columbia, pursuant to Public Law 89-774. The Transit Authority was established to plan, construct, finance and operate a public transit system serving the Metropolitan Area Transit Zone, including the District of Columbia; the cities of Alexandria, Falls Church and Fairfax; and the counties of Arlington, Fairfax and Loudon in Virginia and Montgomery and Prince George's in Maryland. The District provides contributions to the Transit Authority to subsidize its operations. In addition, the District pays the Transit Authority for taking public school students to and from schools or school-related activities.

Account		1999	1998
Operating grants	$	121,273	116,415
Debt service grants		10,331	10,331
Capital grants		11,999	40,492
Total	**$**	**143,603**	**167,238**

A condensed balance sheet for the Transit Authority at June 30, 1999 follows.

Account		(Unaudited)
Current assets	$	873,560
Long term assets		1,053,427
Fixed assets, net		6,953,359
Total assets	$	8,880,346
Current liabilities	$	176,705
Long term liabilities		2,015,061
Total liabilities		2,191,766
Contributed capital		6,688,580
Retained earnings (deficit)		-
Total equity		6,688,580
Total liabilities and equity	$	8,880,346

A condensed statement of revenues, expenses, and changes in retained earnings of the Transit Authority at June 30, 1999 follows.

Account		(Unaudited)
Total operating revenue	$	372,111
Operating expenses		675,115
Depreciation and amortization		247,696
Operating loss		(550,700)
Non-operating revenue, net		303,004
Net loss		(247,696)
Depreciation added back		247,696
Retained earnings, beginning of year		-
Retained earnings, end of the year	$	-

The Transit Authority issues separate audited financial statements that can be requested from the Washington Metropolitan Area Transit Authority, General Manager, 600 5th Street, NW, Washington, D.C. 20001.

D. FINANCIAL RESPONSIBILITY AND MANAGEMENT ASSISTANCE AUTHORITY

The Financial Responsibility Authority was created by Public Law 104-8 as a five-member board appointed by the President, having broad powers and independent oversight over the District, as more fully described in Note 1. The Financial Responsibility Authority is included as a blended component unit of the primary government, as required by generally accepted accounting principles (GAAP) with its general fund presented as a special revenue fund and its agency funds and account groups combined with those of the primary government. Separate audited financial statements can be requested from the District of Columbia Financial Responsibility and Management Assistance Authority, Chief Financial Officer, Suite 900, One Thomas Circle, NW, Washington, D.C. 20005.

NOTE 8. INTERGOVERNMENTAL TRANSACTIONS

A. FEDERAL CONTRIBUTION

Prior to 1998, on an annual basis, the federal government would make a payment to the District in lieu of taxes and would pay for costs incurred by the District for special purposes. In 1998 and effective with the passage of the National Capital Revitalization and Self-Government Improvement Act of 1997 (Public Law 105-33), the annual

federal payment in lieu of taxes was repealed and replaced by a $190,000 federal contribution for the District's general operations and an authorization for such amounts thereafter "as may be necessary" to reflect restrictions and unusual costs imposed on the District by the federal government. In 1999, Federal appropriations enacted for the District totaled $683,639.

With the enactment of the National Capital Revitalization and Self-Government Improvement Act, the operations of the District's courts and certain public safety functions were transferred to the federal government. Accordingly, the 1999 federal appropriations included the following:

Environmental Study - Lorton Correctional Complex	$7,000
Corrections Trustee Operations	184,800
District Courts	128,000
Offender Supervision, Defender & Court Services Agencies	59,400
Y2K Conversion (Courts)	2,249
Total	$381,449

In addition, $25,000 was provided for financing the District's revitalization efforts and $61,800 was to be used toward the District's Y2K conversion efforts. The remaining $215,390 in Federal appropriations was to be used for metro rail improvements and expansion, infrastructure enhancements, Police (including the U. S. Park Police) and Fire support, the Children's National Medical Center and various historical sites and museums within the District.

A summary of the federal contributions to the District's general operations for the years ended September 30, 1999 and 1998 follows.

Purpose		1999	1998
General purpose	$	141,668	190,000
Management reform initiatives		16,300	8,000
Total	**$**	**157,968**	**198,000**

B. OPERATING GRANTS

The District participates in federal financial assistance programs: formula and project grants; direct payments for specified and unrestricted use; food stamp and other pass-through grants; and direct and guaranteed loans.

A summary of operating grants for the years ended September 30, 1999 and 1998 follows.

Function		1999	1998
Governmental direction and support	$	8,436	5,029
Economic development and regulation		77,504	86,892
Public safety and justice		15,528	9,938
Public education system		79,920	106,272
Human support services		811,265	823,317
Public works		707	1,715
Receiverships		108,921	-
Total general		**1,102,281**	**1,033,163**
Housing finance		27,513	25,634
University		8,994	8,099
Total reporting entity	**$**	**1,138,788**	**1,066,896**

C. CAPITAL GRANTS

Federal capital grants are used for the purchase or construction of fixed assets. Capital grants, except for water and sewer facilities, are recorded as Intergovernmental Revenues in the Capital Projects Fund. Capital grants for water and sewer facilities are recorded as Contributed Capital in the Water and Sewer Unit.

A summary of capital grants for the years ended September 30, 1999 and 1998 follows.

Function	1999	1998
Economic development and regulation	$ -	1
Public education system	3,098	25,640
Human support services	-	1,215
Public works	87,790	84,035
Total capital projects	**90,888**	**110,891**
Management Reform & Capital Improvement	**74,039**	-
Water and sewer	-	766
Total reporting entity	**$ 164,927**	**111,657**

D. WATER AND SEWER SERVICES

The District exercises no oversight responsibility over the Washington Aqueduct, which is owned by the Federal government and operated by the U. S. Army Corps of Engineers. The District compensates the Federal government for operating expenses and capital outlays of the Washington Aqueduct. The capital outlays are capitalized and depreciated over 60 years in the Water and Sewer Authority. Payments made to the Federal government were $15,260 and $10,565 for the fiscal years ended September 30, 1999 and 1998, respectively.

NOTE 9. LEASES

A. MASTER LEASE

In June 1998, the District entered into a Master Lease Program with Koch Financial Corporation, Wichita, Kansas. Lease payment obligations are not debt nor are they general obligations of the District, but are payable from appropriations of District agencies participating in the Master Lease Program, subject to annual appropriation. Each schedule under the Master Lease Program sets forth the principal and interest components of each rental payment payable during the lease term. During the year, the interest rate ranged from 1% to 1.5%, with payments being made on a quarterly basis. The acquisition cost of the equipment obtained under this program is at least $25,000 per item. The financing term for such equipment is based on the useful life of the equipment, which must be at least five years but not to exceed ten years.

Equipment procured under this program included such items as fire apparatus (trucks) and other emergency medical services equipment (ambulances), trucks, and cranes used by the Department of Public Works, vehicles used by the Metropolitan Police Department, and other heavy equipment items. The aggregate cost of the equipment acquired and financed under the Master Lease Program during 1999 was $13,272 and debt service payments totaling $1,621 were made to the financing company during the year.

The general fixed assets acquired and the corresponding obligations are reported in the General Fixed Assets Account Group and the General Long-Term Liabilities Account Group respectively, or in the fund acquiring the equipment purchased for a proprietary activity.

B. OPERATING LEASES

Operating leases, those leases not recorded as capital leases as required by FASB Statement No. 13, are not recorded in the balance sheet. These leases contain various renewal options, the effects of which are reflected in the minimum lease payments only if it is considered that the option will be exercised. Certain other operating leases contain escalation clauses and contingent rentals that are not included in the calculation of the future minimum lease payments.

The present value of future minimum lease payments under capital leases (including the Master Lease) and minimum lease payments for all operating leases having noncancelable terms in excess of one year at September 30, 1999 are as follows.

C. SCHEDULES OF FIVE YEAR MINIMUM LEASE PAYMENTS

Operating lease expenditures recorded in governmental funds were $64,699 and $50,488 in 1999 and 1998, respectively. Capital lease expenditures recorded in government funds were $72,673 in 1999 and $50,488 in 1998. Payments made under capital lease agreements by component units were $3,042 and $8,556 for the years ended 1999 and 1998, respectively.

In 1997, the District entered into an agreement for a third party to operate the Correctional Treatment Facility for 20 years. At the end of the lease, the facility will return to the District. In the event of early termination, the District will buy out the balance of the lease payments.

	Primary Government			Component Units		
		Operating Leases			Operating Leases	
Year Ending September 30	Capital Leases	Facilities	Equip-ment	Capital Leases	Facilities	Equip-ment
2000	$ 14,093	44,903	1,004	85	1,223	457
2001	13,913	44,347	806	90	1,193	-
2002	13,899	44,918	514	95	1,224	-
2003	13,879	44,815	280	100	1,241	-
2004	13,389	44,485	53	100	1,240	-
Thereafter	106,108	183,901	-	1,855	2,895	-
Minimum lease payments	**175,281**	**407,369**	**2,657**	**2,325**	**9,016**	**457**
Less - imputed interest	43,092			-		
Present value of payments	**$ 132,189**			**2,325**		

NOTE 10. CONTINGENT LIABILITIES

A. RISK MANAGEMENT

Claims and Judgments

The District retains all risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; and natural disasters. A claim is accrued when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. A liability is recognized also for an estimate of claims that have been incurred but not reported. Assets are not set aside to finance claim payments. Optional health and life insurance coverage are available to employees, with both employee and District premium contributions and without the District retaining risk.

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is unknown, the District is vigorously defending each of them. All amounts in connection with lawsuits where a loss is probable are included within the provision for claims and judgments at September 30, 1999.

The District is a defendant in a lawsuit in which the plaintiff is seeking damages in the amount of $98 million. This case is currently under appeal, and the District's management and legal counsel anticipate an unfavorable outcome in the approximate amount of $1.5 million. A provision for this amount is included in the liability for claims and judgments at September 30, 1999.

A summary of changes in the accrued liability for claims and judgments in the General Fund follows.

Component		1999	1998
Liability at October 1	**$**	**62,050**	**47,764**
Incurred claims		87,233	35,328
Less - claims payments		19,681	21,042
Liability at September 30	**$**	**129,602**	**62,050**

The accrued liability is based on estimates of the payments that will be made upon judgment or resolution of the claim. No accrual has been provided for possible but not probable additional claims, which are estimated at $236,959.

Disability Compensation

The District, through the Department of Employment Services (DOES), administers a disability compensation program under Title XXIII of the District of Columbia Comprehensive Merit Personnel Act of 1978 (CMPA.) This program, which covers all District employees hired under the authority of CMPA, provides compensation for lost wages, medical expenses, and other limited rehabilitation expenses to eligible employee and/or their dependents, where a work-related injury or illness results in disability or death. The benefits are funded on a pay-as-you-go basis. The present value at 6.3% of projected disability compensation is accrued in the General Long Term Liabilities Account Group, and a summary of changes follows.

Component		1999	1998
Liability at October 1	**$**	**294,599**	**153,584**
Benefits incurred		62,104	174,056
Less - benefit payments		30,043	33,041
Adjustments to insured events of prior years		(128,375)	-
Liability at September 30	**$**	**198,285**	**294,599**

The reserve amount substantially decreased in fiscal year 1999 due to favorable disability claims experience, fewer claimants and changes in key actuarial assumptions. The number of claimants in the Disability Compensation Program decreased by approximately 300, resulting in lower medical and compensation payments. Also, fiscal year 1999 actuarial assumptions were less conservative.

Rate Swap Agreements

The District has entered into rate swap agreements for two variable rate bond issues (1991B and 1992A), of which $300,600 and $403,400 are outstanding at September 30, 1999 and 1998, respectively. The agreements are for the term of the related outstanding bonds. Based on the swap agreements, the District owes interest to the counterparties to the swap calculated at a fixed rate of 5.80% and 6.02%. In return, the counterparties owe the District interest based on a variable rate. Only the net difference in interest payments is actually exchanged between the counterparties. The District continues to pay interest to the bondholders at the variable rate as provided by the bonds, and the net interest payment under the swap agreements adjusts the net interest to an approximate fixed rate. The District will be exposed to variable rates on the bonds if the counterparty defaults or if a swap agreement is terminated. Terminating a swap agreement may result in the District making or receiving a termination payment related to market rates at that time.

Debt Service Deposit Agreements

The District entered into debt service deposit agreements effective through 2014 that exchanged future cash flows of certain special tax fund escrow accounts for a fixed amount received by the District upon entering into the agreements, thus increasing the predictability of cash flows from the earnings on escrow account investments. Upon early termination of an agreement and depending upon the then current interest rates, any termination amount owed by the District may substantially exceed the amount received upon entering into the agreement.

B. FEDERALLY ASSISTED PROGRAMS

The District participates in a number of federally assisted grant programs as described in Note 8. These grants are subject to financial and compliance audits by the grantors or their representatives. The audits of these programs have not yet been conducted for the year ended September 30, 1999 and, for certain programs, for prior years. Accordingly, the District's compliance with applicable grant requirements will be established at some future date. An accrual of $115,809 in the General Fund has been provided which estimates the probable cumulative expenditures that may be disallowed by the granting agencies based on prior experience.

Combining and Individual Fund Statements and Schedules

For a fund type that has more than one fund. Combining statements for all funds of that type are presented in columnar format. For a fund type that has only one fund of a given type, individual fund statements are presented with prior year comparisons.

Schedules are presented where greater detail for information reported in the statements is deemed useful.

1999

Government of the District of Columbia
Office of the Chief Financial Officer

GENERAL FUND

The General Fund is used to account for all financial resources which area not required to be accounted for in another fund. All fixed assets of the primary government except those related to specific proprietary funds are accounted for through the General Fixed Assets Account Group. All long-term liabilities of the primary government except those related to specific proprietary funds are accounted for through the General Long-Term Liabilities Account Group.

Exhibit A-1

GENERAL FUND

COMPARATIVE BALANCE SHEETS

September 30, 1999 and 1998
(S000s)

		1999	1998
ASSETS			
Current Assets:			
Cash and investments	$	480,027	454,464
Receivables (net of allowances for uncollectibles):			
Taxes		224,028	194,944
Accounts		183,584	53,222
Intergovernmental		348,501	393,321
Due from component unit		44,236	14,437
Interfund		195,395	28,649
Inventories		16,304	55,432
Other current assets		6,122	8,427
Total current assets		1,498,197	1,202,896
Long Term Assets:			
Receivables (net of allowances for uncollectibles):			
Loans		19,369	21,023
Total assets	$	**1,517,566**	**1,223,919**
LIABILITIES AND FUND BALANCES			
Current Liabilities:			
Payables:			
Accounts	$	403,599	325,985
Compensation:			
Salaries and wages		118,118	94,317
Employee benefits		4,480	(1,490)
Payroll taxes		4,012	6,355
Annual leave		20,515	21,380
Other deductions		14,253	12,602
Due to component units		43,360	49,762
Interfund		590	13,195
Accrued liabilities:			
Claims and judgments		129,602	62,050
Grant disallowances		126,812	117,166
Interest		43,271	55,507
Medicaid		76,310	48,164
Deferred revenue:			
Property taxes		137,088	109,597
Intergovernmental grants		49,218	46,202
Other deferrals		90,995	132,223
Current maturities		35,000	-
Other current liabilities		21,424	18,412
Total liabilities		**1,318,647**	**1,111,427**
Fund Balances:			
Reserved for:			
long term assets		19,369	33,403
Unreserved		179,550	79,089
Total fund balances		**198,919**	**112,492**
Total liabilities and fund balances	$	**1,517,566**	**1,223,919**

Exhibit A-2

GENERAL FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

Years Ended September 30, 1999 and 1998
(S000s)

		1999	1998
Revenues:			
Taxes	$	2,892,562	2,815,900
Licenses and permits		48,247	48,123
Fines and forfeits		47,794	53,177
Charges for services:			
Public		89,035	60,018
Intergovernmental		173,076	4,169
Interfund		1,454	15,941
Miscellaneous:			
Public		157,427	146,631
Intergovernmental		48	13,328
Interfund		14,163	20,645
Intergovernmental:			
Payment in lieu of taxes		157,968	198,000
Operating grants		1,102,281	1,033,163
Total revenues		4,684,055	4,409,095
Expenditures:			
Current:			
Governmental direction and support		329,788	168,292
Economic development and regulation		161,824	181,839
Public safety and justice		759,526	538,508
Public education system		737,781	670,205
Human support services		1,283,979	1,426,746
Public works		264,334	262,145
Receiverships		397,435	314,374
Employee benefits addition (deduction)		102,097	(142,224)
Debt service:			
Principal		261,534	219,435
Interest		191,903	171,430
Fiscal charges		6,597	8,997
Total expenditures		4,496,798	3,819,747
EXCESS OF REVENUES OVER EXPENDITURES		187,257	589,348
Other Financing Sources (Uses):			
Proceeds (payment) of:			
General obligation bonds		708,612	476,972
Payment to refunded bond escrow agent:			
Refunded debt		(658,192)	(431,758)
Other charges		(16,121)	(34,765)
Sale of fixed assets		-	197
Transfers:			
Interfund transfers in		64,225	81,300
Interfund transfers out		(51,226)	(103,568)
Transfers to component units		(148,128)	(132,877)
Total other financing sources (uses)		(100,830)	(144,499)
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER USES		**86,427**	**444,849**
Fund Balances (Deficit) at October 1		**112,492**	**(332,357)**
Fund Balances at September 30	$	**198,919**	**112,492**

Exhibit A-3

GENERAL FUND

SCHEDULE OF EXPENDITURES AND NET FINANCING (SOURCES) USES
FUNCTION AND OBJECT –GAAP BASIS

Year Ended September 30, 1999
With Comparative Totals for Year Ended September 30, 1998
($000s)

Function and Subfunction	Personal Services	Contractual Services	Supplies	Occupancy	Miscel-laneous	Totals 1999	Totals 1998
Governmental Direction and Support:							
Legislative	$ 8,228	932	110	268	348	9,886	12,766
Executive	10,940	4,853	137	1,279	4,121	21,330	13,563
Finance	45,508	14,090	873	14,846	44,183	119,500	107,967
Personnel	9,163	13,767	71	1,112	233	24,346	10,992
Administrative	20,020	115,072	973	14,072	899	151,036	19,711
Elections	2,476	805	39	254	116	3,690	3,293
Total	96,335	149,519	2,203	31,831	49,900	329,788	168,292
Economic Development and Regulation:							
Community development	9,936	14,936	184	3,433	36,587	65,076	103,447
Public housing	-	-	-	-	2,041	2,041	1,743
Economic regulation	26,000	7,025	655	5,907	2,149	41,736	24,422
Employment services	26,679	6,744	684	2,760	16,104	52,971	52,227
Total	62,615	28,705	1,523	12,100	56,881	161,824	181,839
Public Safety and Justice:							
Police	261,619	22,167	8,525	7,313	3,616	303,240	298,717
Fire	105,560	1,930	1,929	2,312	1,361	113,092	112,898
Correction	139,980	39,504	4,077	7,251	49,493	240,305	84,402
Protection	2,769	467	67	668	249	4,220	3,203
Law	20,051	31,952	93	344	46,028	98,468	53,243
Judicial	174	17	1	3	6	201	(13,955)
Total	530,153	96,037	14,692	17,891	100,753	759,526	538,508
Public Education System:							
Schools	459,554	72,818	23,560	24,415	131,673	712,020	646,689
Culture	17,245	1,648	495	1,972	4,401	25,761	23,516
Total	476,799	74,466	24,055	26,387	136,074	737,781	670,205
Human Support Services:							
Health and welfare	110,911	126,181	4,756	27,870	1,032,654	1,302,372	1,190,328
Human relations	1,805	3,865	14	141	12,819	18,644	19,714
Employment benefits	(60,044)	-	-	-	-	(60,044)	186,512
Recreation	16,440	3,696	257	2,515	99	23,007	30,192
Total	69,112	133,742	5,027	30,526	1,045,572	1,283,979	1,426,746
Public Works	55,561	51,440	3,732	14,563	139,038	264,334	262,145
Receiverships:							
Child and Family Services	23,307	27,117	287	2,965	104,792	158,468	113,353
Commission on Mental Health Services	123,461	59,250	9,614	9,522	24,514	226,361	188,653
Medical Receiver	1,892	-	-	-	10,714	12,606	12,368
Total	148,660	86,367	9,901	12,487	140,020	397,435	314,374
Employee Benefits Addition (Deduction):							
Governmental direction and support	(1,337)	-	-	-	-	(1,337)	(672)
Economic development and regulation	238	-	-	-	-	238	(81)
Public safety and justice	6,435	-	-	-	-	6,435	261
Public education system	1,323	-	-	-	-	1,323	(15)
Human support services	101,908	-	-	-	-	101,908	(95,131)
Public works	299	-	-	-	-	299	(276)
Receiverships	(6,769)					(6,769)	(46,310)
Total	102,097	-	-	-	-	102,097	(142,224)
Debt Service	-	-	-	-	460,034	460,034	399,862
Net Financing Uses	-	-	-	-	100,830	100,830	144,499
Total expenditures and uses	$ 1,541,332	620,276	61,133	145,785	2,229,102	4,597,628	3,964,246

Exhibit A-4

GENERAL FUND

SCHEDULE OF LOCAL SOURCE REVENUES
BUDGET AND ACTUAL (BUDGETARY BASIS)

Year Ended September 30, 1999
($000s)

Source	Budget		Actual	Variance - (Unfavorable)
	Original	Revised		
Taxes:				
Property:				
Real	$ 599,500	598,700	597,566	(1,134)
Personal	65,300	73,500	73,928	428
Public space rental	9,700	11,300	8,056	(3,244)
Total	674,500	683,500	679,550	(3,950)
Sales and use:				
General	506,600	608,800	592,718	(16,082)
Alcoholic beverages	5,400	4,800	4,821	21
Cigarette	18,500	17,100	17,107	7
Hotel occupancy	5,500	1,000	(26)	(1,026)
Motor vehicles	29,000	18,000	31,329	13,329
Total	565,000	649,700	645,949	(3,751)
Income and franchise:				
Individual income	835,300	919,900	952,156	32,256
Corporation franchise	153,900	180,500	163,699	(16,801)
Unincorporated business	42,700	50,000	53,896	3,896
Total	1,031,900	1,150,400	1,169,751	19,351
Gross receipts:				
Public utility	143,400	130,200	128,472	(1,728)
Toll telecommunication	58,400	56,800	51,874	(4,926)
Insurance companies	34,300	25,000	-	(25,000)
Total	236,100	212,000	180,346	(31,654)
Other:				
Deed Recordation	33,000	51,200	70,398	19,198
Deed Transfer	30,300	40,500	47,001	6,501
Inheritance and estate	27,000	31,400	26,247	(5,153)
Economic interest	4,000	6,000	3,687	(2,313)
Total	94,300	129,100	147,333	18,233
Total taxes	2,601,800	2,824,700	2,822,929	(1,771)
Licenses and Permits:				
Business licenses	27,988	29,792	28,607	(1,185)
Nonbusiness permits	18,088	18,011	17,927	(84)
Total	46,076	47,803	46,534	(1,269)
Fines and Forfeits	69,450	56,771	47,688	(9,083)
Charges for Services:				
Other	38,745	33,863	31,055	(2,808)
Total	38,745	33,863	31,055	(2,808)
Miscellaneous:				
Interest	14,200	28,050	27,542	(508)
Other	48,151	56,259	59,198	2,939
Total	62,351	84,309	86,740	2,431
Total revenues	$ **2,818,422**	**3,047,446**	**3,034,946**	**(12,500)**

Exhibit A-5

GENERAL FUND

SCHEDULE OF BUDGETARY BASIS REVENUES AND EXPENDITURES BY SOURCE OF FUNDS

Year Ended September 30, 1999

($000s)

	Local Source				Federal Grants				Private and Other				Total			
	Original Budget	Revised Budget	Actual	Variance	Original Budget	Revised Budget	Actual	Variance	Original Budget	Revised Budget	Actual	Variance	Original Budget	Revised Budget	Actual	Variance
Revenues and Sources:																
Taxes																
Property	$ 674,500	683,500	679,550	(3,950)	-	-	-	-	-	-	-	-	674,500	683,500	679,550	(3,950)
Sales anduses	565,000	649,700	645,949	(3,751)	-	-	-	-	-	-	-	-	565,000	649,700	645,949	(3,751)
Income and franchise	1,031,900	1,150,400	1,169,751	19,351	-	-	-	-	-	-	-	-	1,031,900	1,150,400	1,169,751	19,351
Other taxes	330,400	341,100	327,679	(13,421)	-	-	-	-	-	-	-	-	330,400	341,100	327,679	(13,421)
Total taxes	2,601,800	2,824,700	2,822,929	(1,771)	-	-	-	-	-	-	-	-	2,601,800	2,824,700	2,822,929	(1,771)
Licenses and permits	46,076	47,803	46,534	(1,269)	-	-	-	-	-	-	-	-	46,076	47,803	46,534	(1,269)
Fines and forfeits	69,450	56,771	47,688	(9,083)	-	-	-	-	-	-	-	-	69,450	56,771	47,688	(9,083)
Charges for services	38,745	33,863	31,055	(2,808)	-	-	-	-	-	-	-	-	38,745	33,863	31,055	(2,808)
Miscellaneous	62,351	84,309	86,740	2,431	-	-	-	-	314,660	321,486	282,732	(38,754)	377,011	405,795	369,472	(36,323)
Intergovernmental	-	3,575	7,575	4,000	1,226,026	1,296,005	1,252,822	(43,183)	-	-	-	-	1,226,026	1,299,580	1,260,397	(39,183)
General obligation bonds	-	-	-	-	-	-	-	-	-	-	708,612	708,612	-	-	708,612	708,612
Transfers	69,000	69,000	64,225	(4,775)	-	-	-	-	-	-	-	-	69,000	69,000	64,225	(4,775)
Revenue initiatives	20,000	20,000	-	(20,000)	-	-	-	-	-	-	-	-	20,000	20,000	-	(20,000)
Total Revenues and Sources	2,907,422	3,140,021	3,106,746	(33,275)	1,226,026	1,296,005	1,252,822	(43,183)	314,660	321,486	991,344	669,858	4,448,108	4,757,512	5,350,912	593,400
Expenditures and Uses:																
Governmental direction and support	136,485	143,965	149,114	(5,149)	13,955	106,923	103,627	3,296	13,704	22,392	17,605	4,787	164,144	273,280	270,346	2,934
Economic development and regulation	45,162	45,006	41,520	3,486	83,365	88,470	80,190	8,280	30,512	33,074	25,510	7,564	159,039	166,550	147,220	19,330
Public safety and justice	530,945	539,485	531,025	8,460	30,327	17,619	15,926	1,693	194,514	179,078	171,670	7,408	755,786	736,182	718,621	17,561
Public education system	640,135	661,495	654,532	6,963	111,790	133,919	123,123	10,796	22,952	26,037	23,409	2,628	774,877	821,451	801,064	20,387
Human support services	614,679	614,877	611,453	3,424	886,682	828,266	813,715	14,551	13,390	11,358	9,571	1,787	1,514,751	1,454,501	1,434,739	19,762
Public works	257,242	256,353	251,390	4,963	3,216	6,638	4,914	1,724	6,454	16,340	8,515	7,825	266,912	279,331	264,819	14,512
Receiverships	189,154	193,254	211,085	(17,831)	96,691	114,170	113,723	447	33,134	33,207	30,574	2,633	318,979	340,631	355,382	(14,751)
Washington Convention Center payment	5,400	5,400	-	5,400	-	-	-	-	-	-	-	-	5,400	5,400	-	5,400
Repay bonds and interest	382,170	371,667	363,194	8,473	-	-	-	-	-	-	707,530	(707,530)	382,170	371,667	1,070,724	(699,057)
Repay deficit bonds and interest	38,453	38,453	38,453	-	-	-	-	-	-	-	-	-	38,453	38,453	38,453	-
Interest on short term borrowing	11,000	6,500	6,109	391	-	-	-	-	-	-	-	-	11,000	6,500	6,109	391
Certificates of participation	7,926	7,929	7,929	-	-	-	-	-	-	-	-	-	7,926	7,929	7,929	-
Human resources development	6,674	7,140	5,951	1,189	-	-	-	-	-	-	-	-	6,674	7,140	5,951	1,189
Financial Responsibility Authority	7,840	5,096	5,096	-	-	-	-	-	-	-	-	-	7,840	5,096	5,096	-
Total Expenditures and Net Uses	2,873,265	2,896,620	2,876,851	19,769	1,226,026	1,296,005	1,255,218	40,787	314,660	321,486	994,384	(672,898)	4,413,951	4,514,111	5,126,453	(612,342)
Subtotal	34,157	243,401	229,895	(13,506)	-	-	(2,396)	(2,396)	-	-	(3,040)	(3,040)	34,157	243,401	224,459	(18,942)
PL 105-277 Productivity Savings	10,000	10,000	-	(10,000)	-	-	-	-	-	-	-	-	10,000	10,000	-	(10,000)
Excess (Deficiency) of Revenues and Sources Over (Under) Expenditures and Uses	**$ 44,157**	**253,401**	**229,895**	**(23,506)**	-	-	**(2,396)**	**(2,396)**	-	-	**(3,040)**	**(3,040)**	**44,157**	**253,401**	**224,459**	**(28,942)**

Exhibit A-6

GENERAL FUND

SCHEDULE OF BUDGETARY BASIS REVENUES AND EXPENDITURES

Year Ended September 30, 1999
($000s)

	Original Budget	Revised Budget	Actual	Variance From Original Budget
Revenues and Sources:				
Taxes:				
Property	$ 674,500	683,500	679,550	5,050
Sales and use	565,000	649,700	645,949	80,949
Income and franchise	1,031,900	1,150,400	1,169,751	137,851
Other taxes	330,400	341,100	327,679	(2,721)
Total taxes	2,601,800	2,824,700	2,822,929	221,129
Licenses and permits	46,076	47,803	46,534	458
Fines and forfeits	69,450	56,771	47,688	(21,762)
Charges for services	38,745	33,863	31,055	(7,690)
Miscellaneous	62,351	84,309	86,740	24,389
Private and other	314,660	321,486	282,732	(31,928)
Intergovernmental	1,226,026	1,299,580	1,260,397	34,371
General obligation bonds	-	-	708,612	708,612
Transfers	69,000	69,000	64,225	(4,775)
Revenue initiatives	20,000	20,000	-	(20,000)
Total Revenues and Sources	4,448,108	4,757,512	5,350,912	902,804
Expenditures and Uses:				
Governmental direction and support	164,144	273,280	270,346	(106,202)
Economic development and regulation	159,039	166,550	147,220	11,819
Public safety and justice	755,786	736,182	718,621	37,165
Public education system	774,877	821,451	801,064	(26,187)
Human support services	1,514,751	1,454,501	1,434,739	80,012
Public works	266,912	279,331	264,819	2,093
Receiverships	318,979	340,631	355,382	(36,403)
Washington Convention Center payment	5,400	5,400	-	5,400
Repay bonds and interest	382,170	371,667	1,070,724	(688,554)
Repay deficit bonds and interest	38,453	38,453	38,453	-
Interest on short term borrowing	11,000	6,500	6,109	4,891
Certificates of participation	7,926	7,929	7,929	(3)
Human resources development	6,674	7,140	5,951	723
Financial Responsibility Authority	7,840	5,096	5,096	2,744
Total Expenditures and Net Uses	4,413,951	4,514,111	5,126,453	(712,502)
Subtotal	34,157	243,401	224,459	190,302
PL 105-277 Productivity Savings	10,000	10,000	-	(10,000)
Excess of Revenues and Sources Over Expenditures and Uses	**$ 44,157**	**253,401**	**224,459**	**180,302**

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SPECIAL REVENUE FUND

The **Financial Responsibility Authority Fund** is used to account for the operating activities of the District of Columbia Financial Responsibility and Management Assistance Authority, a federally appointed board created to provide temporary fiscal assistance to alleviate the District's fiscal distress. The fund is financed primarily from interest on cash and investments held in the Financial Responsibility Authority Agency fund. Operations are reported to show an excess or deficiency on a flow of current financial resources measurement focus. Fixed assets are accounted for through the General Fixed Assets Account Group. Long-term liabilities are accounted for through the General Long-Term Liabilities Account Group.

Exhibit B-1

FINANCIAL RESPONSIBILITY AUTHORITY SPECIAL REVENUE FUND

COMPARATIVE BALANCE SHEETS

September 30, 1999 and 1998
($000s)

		1999	1998
ASSETS			
Current Assets:			
Cash and investments	$	3,959	933
Receivables (net of allowances for uncollectibles):			
Interfund		546	914
Other		6	-
Property held for resale		3,100	-
Total assets	**$**	**7,611**	**1,847**
LIABILITIES AND FUND BALANCES			
Current Liabilities:			
Payables:			
Accounts	$	358	-
Compensation		282	348
Interfund		5,446	-
Deferred revenue		555	19
Other current liabilities		-	510
Total liabilities		**6,641**	**877**
Fund Balance:			
Unreserved		970	970
Total fund balances		**970**	**970**
Total liabilities and fund balances	**$**	**7,611**	**1,847**

Exhibit B-2

FINANCIAL RESPONSIBILITY AUTHORITY SPECIAL REVENUE FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

Years Ended September 30, 1999 and 1998
($000s)

	1999	1998
Revenues:		
Charges for services:		
Interfund	$ -	4,658
Miscellaneous:		
Interest	190	170
Other	19	-
Total revenues	209	4,828
Expenditures:		
Current:		
Governmental direction and support		
Personal services	3,531	3,270
Contractual services	304	9,714
Supplies	-	27
Occupancy	295	359
Miscellaneous	3,091	1,001
Total expenditures	7,221	14,371
DEFICIENCY OF REVENUES UNDER EXPENDITUR	(7,012)	(9,543)
Other Financing Sources:		
Transfers:		
Interfund transfers in	7,012	9,543
Total other financing sources	7,012	9,543
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER USES	-	-
Fund Balances at October 1	**970**	**970**
Fund Balances at September 30	$ **970**	**970**

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CAPITAL PROJECTS FUND

The Capital Projects Fund is used to account for the purchase or construction of fixed assets which are wholly or partly financed by capital grants, dedicated taxes or general long-term debt, other than those financed by the Water and Sewer Unit. The Capital Projects Fund is not used to account for the purchase of general fixed assets which are financed wholly by an individual fund or unit.

Fixed assets are capitalized in the General Fixed Assets Account Group or in the proprietary fund or component unit to which they apply. Expenditures for items which are below the minimum cost of life of a fixed asset unit are not capitalized.

Exhibit C-1

CAPITAL PROJECTS FUND

COMPARATIVE BALANCE SHEETS

September 30, 1999 and 1998
($000s)

		1999	1998
ASSETS			
Current Assets:			
Cash	$	6,420	88,820
Receivables (net of allowances for uncollectibles):			
Accounts		15,103	1,510
Intergovernmental		29,124	18,043
Interfund		469,426	296,916
Total assets	**$**	**520,073**	**405,289**
LIABILITIES AND FUND BALANCES			
Current Liabilities:			
Payables:			
Accounts	$	84,001	78,351
Deferred revenue		48,541	102,948
Total liabilities		**132,542**	**181,299**
Fund Balance:			
Reserved for:			
Encumbrances		333,008	178,622
Capital project expenditures		54,523	43,160
Unreserved		-	2,208
Total fund balances		**387,531**	**223,990**
Total liabilities and fund balances	**$**	**520,073**	**405,289**

Exhibit C-2

CAPITAL PROJECTS FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

Years Ended September 30, 1999 and 1998
($000s)

		1999	1998
Revenues:			
Interest	$	2,336	2,238
Intergovernmental		164,927	110,891
Local		46,713	773
Total revenues		213,976	113,902
Expenditures:			
Capital outlay:			
General fixed assets		356,450	260,837
Component unit fixed assets		254	3,696
Other		371	-
Total expenditures		357,075	264,533
DEFICIENCY OF REVENUES UNDER EXPENDITURES		(143,099)	(150,631)
Other Financing Sources:			
General obligation bond proceeds		236,876	206,135
Capital lease proceeds		13,839	-
Interfund transfers in - General Fund		44,214	29,257
Sale of fixed assets		11,711	-
Total other financing sources (uses)		306,640	235,392
EXCESS OF REVENUES AND OTHER FINANCIAL SOURCES OVER EXPENDITURES		**163,541**	**84,761**
Fund Balances at October 1		**223,990**	**139,229**
Fund Balances at September 30	$	**387,531**	**223,990**

Exhibit C-3

CAPITAL PROJECTS FUND

SCHEDULE OF CONSTRUCTION IN PROGRESS

September 30, 1999
($000s)

Function and Subfunction	Number of Projects	Author-izations	Expenditures Prior Years	Expenditures Current Year	Expenditures Total	Unexpended Balance
PRIMARY GOVERNMENT						
Governmental Direction and Support:						
Finance	2	$ 128,556	28	24,330	24,358	104,198
Procurement	2	15,032	-	13,258	13,258	1,774
Technology	1	34,806	3,788	28,360	32,148	2,658
Administrative	1	6,791	-	3,848	3,848	2,943
Total	6	185,185	3,816	69,796	73,612	111,573
Public Safety and Justice:						
Police	1	17,832	-	5,709	5,709	12,123
Fire	2	8,018	-	1,090	1,090	6,928
Master Lease		11,900	-	1,621	1,621	10,279
Emergency Preparedness	1	1,591	1,494	-	1,494	97
Total	4	39,341	1,494	8,420	9,914	29,427
Public Education System:						
Public School System	2	202,157	-	3,098	3,098	199,059
Human Support Services:						
Mental Health	2	53,841	-	2,712	2,712	51,129
Recreation	3	16,004	241	368	609	15,395
Total	5	69,845	241	3,080	3,321	66,524
Public Works:						
Environmental	3	9,376	5	1,299	1,304	8,072
Total	3	9,376	5	1,299	1,304	8,072
Total general	**20**	**$ 505,904**	**5,556**	**85,693**	**91,249**	**414,655**
COMPONENT UNITS						
Water and Sewer:						
Water	10	22,188	3,102	14,995	18,097	4,091
Blue Plains	9	400,014	37,846	20,992	58,838	341,176
Sewer	13	50,071	820	5,906	6,726	43,345
Total water and sewer	32	472,273	41,768	41,893	83,661	388,612
Convention Center	1	136,172	27,311	108,861	136,172	-
Total component units	**33**	**$ 608,445**	**69,079**	**150,754**	**219,833**	**388,612**

ENTERPRISE FUND

Enterprise funds are used to account for activities that are financed and operated in a manner similar to private business enterprises where the costs (including depreciation) of providing goods or services primarily or solely to the public on a continuing basis are or could be financed or recovered primarily through user charges.

The **Lottery and Games Fund** is used to account for revenues from lotteries and daily numbers games operated by the District and from licenses to conduct bingo games and raffles, and related prizes, expenses and capital outlays. Gambling activities are administered by a Lottery and Charitable Games Control Board consisting of five members appointed by the Mayor with the consent of the Council. All moneys made available to the Lottery and Games Fund by the General Fund must be derived from non-federal revenues.

Exhibit D-1

LOTTERY AND GAMES ENTERPRISE FUND

COMPARATIVE BALANCE SHEETS

September 30, 1999 and 1998
($000s)

		1999	1998
ASSETS			
Current Assets:			
Cash and investments	$	10,637	13,925
Receivables (net of allowances for uncollectibles):			
Accounts		2,958	1,643
Inventories		467	455
Other current assets		23	5
Total current Assets		14,085	16,028
Long Term Assets:			
Other long term assets		80,637	93,103
Fixed Assets:			
Property and equipment		3,154	3,048
Accumulated depreciation		(2,754)	(2,521)
Net fixed assets		400	527
Total assets	**$**	**95,122**	**109,658**
LIABILITIES AND EQUITY			
Current Liabilities:			
Payables:			
Accounts	$	1,939	2,869
Compensation		577	586
Accrued liabilities		8,572	9,775
Deferred revenue		151	131
Other current liabilities		18	42
Total current liabilities		11,257	13,403
Long Term Liabilities:			
Other long term liabilities		80,637	93,103
Total long term liabilities		80,637	93,103
Total liabilities		**91,894**	**106,506**
Equity:			
Retained earnings		3,228	3,152
Total equity		**3,228**	**3,152**
Total liabilities and equity	**$**	**95,122**	**109,658**

Exhibit D-2

LOTTERY AND GAMES ENTERPRISE FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN RETAINED EARNINGS

Years Ended September 30, 1999 and 1998
($000s)

	1999	1998
Operating Revenues:		
Charges for services:		
Gross charges:		
Public	$ 207,091	226,429
Deductions from gross charges:		
Public	(121,628)	(122,660)
Total operating revenues	85,463	103,769
Operating Expenses:		
Personal services	4,829	4,531
Contractual services	16,388	18,100
Supplies	60	76
Occupancy	1,526	2,006
Depreciation	233	321
Miscellaneous	544	1,114
Total operating expenses	23,580	26,148
OPERATING INCOME	61,883	77,621
Nonoperating Revenues:		
Interest revenue	2,256	3,709
Miscellaneous	162	71
Total nonoperating revenues	2,418	3,780
INCOME BEFORE TRANSFERS	64,301	81,401
Interfund Transfers In (Out):		
General Fund	(64,225)	(81,300)
NET INCOME	**76**	**101**
Retained Earnings at October 1	**3,152**	**3,051**
Retained Earnings at September 30	$ **3,228**	**3,152**

Exhibit D-3

LOTTERY AND GAMES ENTERPRISE FUND

COMPARATIVE STATEMENTS OF CASH FLOWS

Years Ended September 30, 1999 and 1998
($000s)

		1999	1998
Cash receipts from customers	$	205,796	227,000
Other cash receipts		162	71
Cash payments to vendors		(19,502)	(26,846)
Cash payments to employees		(4,838)	(4,387)
Other cash payments, including prizes		(122,831)	(119,610)
Net cash provided		58,787	76,228
Capital and Related Financing Activities:			
Acquisitions of fixed assets		(106)	(60)
Net cash provided (used)		(106)	(60)
Noncapital Financing Activities:			
Interfund transfers out		(64,225)	(81,300)
Net cash provided (used)		(64,225)	(81,300)
Investing Activities:			
Receipts of interest and dividends		2,256	3,709
Net cash provided		2,256	3,709
DECREASE IN CASH		**(3,288)**	**(1,423)**
Cash and Investments at October 1		**13,925**	**15,348**
Cash and Investments at September 30	**$**	**10,637**	**13,925**
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating income	$	61,883	77,621
Depreciation		233	321
Miscellaneous nonoperating revenues		162	71
Decrease (increase) in assets:			
Receivables		(1,315)	715
Allowances for uncollectibles		-	(110)
Inventories		(12)	(290)
Other current assets		(18)	161
Increase (decrease) in liabilities:			
Payables		(939)	(4,371)
Accrued liabilities		(1,203)	3,050
Deferred revenue		20	(34)
Other current liabilities		(24)	(906)
Net cash provided	$	58,787	76,228

TRUST AND AGENCY FUNDS

Trust funds are used to account for assets held by the District in a trustee capacity. Agency funds are used to account for assets held by the District as an agent for individuals, private organizations, other governments or other funds.

The **Unemployment Compensation Fund** is used to account for the accumulation of resources to be used for benefit payments to unemployed former employees of the District and federal governments and of private employers in the District. Resources are contributed by private employers at rates fixed by law and by the District and federal governments on a reimbursable basis. The fund is administered by the Office of Unemployment Compensation in the Department of Employment Services. The fund does not have a separate governing body. The administrative costs of the office are accounted for in the General Fund.

The **Pension Trust Funds** are used to account for the accumulation of resources to be used for retirement annuity payments at appropriate amounts and times in the future for judges, police officers, fire fighters and public school teachers of the District. Resources are contributed by employees and by the District and federal governments at amounts determined by an annual actuarial study and the Retirement Reform Act. The funds are administered by a thirteen member Retirement Board. Three of these members are appointed by the Mayor and three by the Council. The other members include one retired judge, and one each active and retired police officers, fire fighters, and teachers. The administrative costs of the board are accounted for in the funds.

The **Agency Funds** are used to account for refundable deposits required of various licensees, monies held in escrow, and other assets held in custody by the District's Financial Responsibility Authority as an agent for individuals, private organizations, other governments, or other funds.

Exhibit E-1

TRUST AND AGENCY FUNDS

COMPARATIVE BALANCE SHEET

September 30, 1999
With Comparative Totals for September 30, 1998
($000s)

	Trust		Agency		Totals	
	Expendable Unemployment Compensation	Pension	Financial Responsibility Authority	District	1999	1998
ASSETS						
Current Assets:						
Cash and investments	$ 212,818	1,827,302	663,928	40,489	2,744,537	2,085,625
Receivables (net of allowances for uncollectibles):						
Taxes	-	-	-	-	-	11,109
Accounts	13,377	2,825	-	1,335	17,537	6,173
Intergovernmental	170	-	-	-	170	7
Interfund	1,117	1,610	5,446	-	8,173	74,160
Other current assets	-	-	-	17,412	17,412	7,555
Total assets	**$ 227,482**	**1,831,737**	**669,374**	**59,236**	**2,787,829**	**2,184,629**
LIABILITIES AND FUND BALANCES						
Current Liabilities:						
Payables:						
Accounts	$ 1,353	115,715	-	46,100	163,168	160,878
Due to primary government	-	-	5,890	-	5,890	5,646
Interfund	1,073	2,947	663,484	-	667,504	387,444
Other current liabilities	4,394	-	-	13,136	17,530	57,363
Total liabilities	**6,820**	**118,662**	**669,374**	**59,236**	**854,092**	**611,331**
Fund Balances:						
Reserved for employee benefits	220,662	1,713,075	-	-	1,933,737	1,573,298
Total liabilities and fund balances	**$ 227,482**	**1,831,737**	**669,374**	**59,236**	**2,787,829**	**2,184,629**

Exhibit E-2

UNEMPLOYMENT COMPENSATION EXPENDABLE TRUST FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

Years Ended September 30, 1999 and 1998 ($000s)

		1999	1998
Revenues:			
Taxes	$	90,384	90,617
Benefit contributions:			
Intergovernmental		5,388	6,791
Interfund		6,135	6,390
Miscellaneous:			
Investment income		12,412	10,069
Total revenues		114,319	113,867
Expenditures:			
Current:			
Human support services:			
Benefit payments		77,368	76,995
Total expenditures		77,368	76,995
EXCESS OF REVENUES OVER EXPENDITURES		**36,951**	**36,872**
Fund Balances at October 1		**183,711**	**146,839**
Fund Balances at September 30	$	**220,662**	**183,711**

Exhibit E-3

PENSION TRUST FUNDS

COMBINING STATEMENT OF PLAN NET ASSETS

September 30, 1999
With Comparative Totals for September 30, 1998
($000s)

	Fund		Totals	
	Police and Fire	Teachers	1999	1998
ASSETS				
Assets:				
Cash and investments	$ 1,052,956	774,346	1,827,302	1,482,968
Receivables (net of allowances for uncollectibles):				
Accounts	853	1,972	2,825	2,278
Intergovernmental	-	-	-	-
Interfund	-	1,610	1,610	-
Total assets	**$ 1,053,809**	**777,928**	**1,831,737**	**1,485,246**
Liabilities:				
Payables:				
Accounts	$ 67,005	48,710	115,715	94,045
Interfund	2,697	250	2,947	1,614
Total liabilities	**69,702**	**48,960**	**118,662**	**95,659**
Net Assets:				
Held in trust for pension benefits	**$ 984,107**	**728,968**	**1,713,075**	**1,389,587**

Exhibit E-4

PENSION TRUST FUNDS

COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS

Years Ended September 30, 1999 and 1998
($000s)

	Fund		Totals	
	Police and Fire	Teachers	1999	1998
Additions:				
Benefit contributions:				
Interfund	$ 35,100	18,600	53,700	57,400
Employees	15,737	21,537	37,274	35,338
Investing:				
Investment income	29,765	26,573	56,338	50,865
Net appreciation in fair value of investments	84,695	105,295	189,990	(23,562)
Less - investment expenses	(6,820)	(4,694)	(11,514)	(7,339)
Total additions	158,477	167,311	325,788	112,702
Deductions:				
Personal services	-	-	-	604
Contractual services	-	-	-	1,070
Supplies	-	-	-	8
Occupancy	-	-	-	269
Benefit payments:				
Benefits	1,600	700	2,300	600
Contribution refunds	-	-	-	554
Miscellaneous	-	-	-	24
Total deductions	1,600	700	2,300	3,129
NET INCREASE	**156,877**	**166,611**	**323,488**	**109,573**
Net Assets held in trust for pension benefits:				
October 1	**827,230**	**562,357**	**1,389,587**	**1,280,014**
September 30	**$ 984,107**	**728,968**	**1,713,075**	**1,389,587**

Exhibit E-5

FINANCIAL RESPONSIBILITY AUTHORITY AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS

Year Ended September 30, 1999
($000s)

	Fund										
	General	Management Reform	Police	Short Term Debt Proceeds	Bond Proceeds	Public Schools	Water and Sewer	99 Congressional Infrastructure	District Y2K	University	Total
Balance October 1, 1998	$ 59,935	8,129	5,568	11,698	262,413	38,783	24	-	-	5,622	392,172
Additions:											
Federal appropriation	173,796	26,686	-	-	-	-	-	-	20,000	-	220,482
Federal contribution	-	-	-	-	-	-	-	50,000	-	-	50,000
OMB supplemental contribution	-	-	-	-	-	-	-	-	61,800	-	61,800
Short term debt	-	-	-	230,968	-	-	-	-	-	-	230,968
Long term debt	-	-	-	-	243,322	-	-	-	-	-	243,322
Interfund receivable receipt	-	-	-	-	32,664	1,972	-	-	-	-	34,636
Interfund receivable	5,446	-	-	-	-		-	-	-	-	5,446
Interfund receipt	1,266	-	-	-	-		-	-	-	-	1,266
Interfund transfers	1,142	-	-	-	-	201	-	-	-	-	1,343
Interest income	6,634	289	173	715	8,118	1,468	-	662	881	256	19,196
School sale proceeds	-	-	-	-	-	3,444	-	-	-	-	3,444
Total additions	188,284	26,975	173	231,683	284,104	7,085	-	50,662	82,681	256	871,903
Deductions:											
Interfund receivable	6,109	-	-	-	-	1,972	-	-	-	-	8,081
Radio station sales proceeds	-	-	-	-	-		-	-	-	13	13
Interfund receivable payment-school sale	1,972	-	-	-	-	212	-	-	-	-	2,184
Interfund receivable payment-advance	32,664	-	-	-	32,664		-	-	-	-	65,328
Principal	121,265	9,686	2,333	239,577	125,247	12,216	-	-	-	-	510,324
Interest	6,214	-	855	561	879	240	24	-	-	-	8,773
Total deductions	168,224	9,686	3,188	240,138	158,790	14,640	24	-	-	13	594,703
Balance September 30, 1999	$ 79,995	25,418	2,553	3,243	387,727	31,228	-	50,662	82,681	5,865	669,372

Exhibit E-6

DISTRICT AGENCY FUNDS

COMBINING STATEMENT CHANGES IN ASSETS AND LIABILITIES

Year Ended September 30, 1999
($000s)

	Balance October 1, 1998	Additions	Deductions	Balance September 30, 1999
ASSETS				
Current Assets:				
Cash and investments	$ 108,924	406,673	475,108	40,489
Accounts receivable	1,835	-	500	1,335
Other current assets	7,555	510,842	500,985	17,412
Total assets	**$ 118,314**	**917,515**	**976,593**	**59,236**
LIABILITIES				
Current Liabilities:				
Accounts payable	$ 65,605	3,579	23,084	46,100
Other current liabilities	52,709	520,913	560,486	13,136
Total liabilities	**$ 118,314**	**524,492**	**583,570**	**59,236**

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DISCRETELY PRESENTED COMPONENT UNITS

Component units are legally separate organizations for which the elected officials of the District are financially accountable. Accountability exists because the governing bodies of all the component units are appointed by the Mayor with the consent of the Council. In addition, the District has an obligation to provide financial support to the Convention Center and Sports Commission, and certain tax revenues are dedicated to each of these organizations. All the component units use proprietary fund type accounting. The financial data of the component units are reported separately from the financial data of the primary government.

The **Public Benefit Corporation** is used to account for the costs of providing comprehensive community-centered health care for the benefit of the residents of the District of Columbia. The Corporation assumed the health care functions previously provided by the D.C. General Hospital and the community clinics of the Commission of Public Health of the Department of Human Services. The Corporation is governed by a Board of Directors consisting of twelve members; six members appointed by the Mayor, five members appointed by the Council, and the Chief Financial Officer of the District.

The **Water and Sewer Unit** is used to account for the provision of water and sewer services to residents of the District, suburban Maryland, and northern Virginia. All activities necessary to provide such services are accounted for in this unit, including administration, operations, maintenance, debt service, billing and collecting. Depreciation on fixed assets acquired through capital grants is closed to Contributed Capital. Eleven directors govern the fund, six appointed by the Mayor with the consent of the council and five appointed by the Mayor upon recommendation from the other participating jurisdictions.

The **Convention Center Unit** is used to account for maintaining and operating the Washington Convention Center for local public shows and exhibitions, civic and community events and gatherings, athletic and cultural events, entertainment, and other activities. The Convention Center is governed by nine directors consisting of the Chief Financial Officer of the District, the Director of the Office of Tourism and Promotions, and seven directors appointed by the Mayor with the consent of the Council.

The **Sports Commission Unit** is used to account for maintaining and operating the National Guard Armory for major athletic events, conventions, concerts, and other activities; and for maintaining and operating the Robert F. Kennedy Memorial Stadium for athletic and other events. The Sport Commission promotes the District as a sporting event site; coordinates development and construction of sporting facilities and related infrastructure; manages District-owned facilities; and may own and operate a professional sports franchise. The eleven directors who govern the Sports Commission consist of the Chief Financial Officer of the District, the Director of the Department of Recreation and Parks, a District government official appointed by the Mayor, and eight directors appointed by the Mayor with the consent of the Council.

The **Housing Finance Unit** is used to account for cash received from public and private sources that is used to alleviate the shortage of adequate housing. Mortgage lenders work with the fund to make mortgage, construction, and rehabilitation loans for single and multi-family units, both rented and owned. The increase in the supply of residential mortgages and construction loans and the lowering of the cost of money available for these loans expands available housing opportunities, achieves neighborhood and fiscal stability, and affects residential economic diversity. The fund is administered by Housing Finance Agency Board of Directors, which is comprised of five members who are appointed by the Mayor with the consent of the Council.

The **University** unit is used to account for resources received and used by the University of the District of Columbia, which is a land-grant institution offering higher education to the public. The University is governed by a Board of Trustees. Eleven members of the board are appointed by the Mayor with the consent of the Council, one member is a full-time student, and three members are appointed by the alumni associations. Depreciation on fixed assets is closed to Contributed Capital.

Exhibit F-1

COMPONENT UNITS

COMBINING BALANCE SHEET

September 30, 1999
With Comparative Totals for September 30, 1998
($000s)

	Public Benefit Corporation	Water and Sewer	Convention Center	Sports Commission	Housing Finance	University	Totals 1999	Totals 1998
ASSETS								
Current Assets:								
Cash and investments	$ -	147,656	605,333	19,826	379,717	25,286	1,177,818	1,093,233
Receivables (net of allowances for uncollectibles):								
Accounts	41,703	68,022	2,521	676	9,966	17,416	140,304	162,366
Intergovernmental	-	25,386	-	-	-	3,717	29,103	18,496
Due from primary government	-	38,590	4,794	-	-	5,866	49,250	55,408
Inventories	1,173	11,079	-	-	-	-	12,252	14,818
Other current assets	2,302	19,616	2,700	35	6,986	1,638	33,277	78,151
Total current Assets	45,178	310,349	615,348	20,537	396,669	53,923	1,442,004	1,422,472
Long Term Assets:	-							
Loans receivable	-	-	-	-	208,495	-	208,495	222,800
Intergovernmental receivables	-	36,674	-	-	-	-	36,674	21,177
Deferred charges	-	23,944	17,089	-	7,942	-	48,975	47,762
Total long term assets	-	60,618	17,089	-	216,437	-	294,144	291,739
Fixed Assets:								
Property and equipment	141,952	1,686,465	264,139	32,505	4,096	159,482	2,288,639	2,115,236
Less-accumulated depreciation	(102,688)	(506,647)	(38,067)	(25,174)	(1,093)	(87,443)	(761,112)	(729,429)
Net fixed assets	39,264	1,179,818	226,072	7,331	3,003	72,039	1,527,527	1,385,807
Total assets	**$ 84,442**	**1,550,785**	**858,509**	**27,868**	**616,109**	**125,962**	**3,263,675**	**3,100,018**
LIABILITIES AND EQUITY								
Current Liabilities:								
Payables:								
Accounts	$ 13,032	33,843	13,449	519	2,489	5,944	69,276	43,446
Compensation	12,725	7,587	1,536	379	-	5,376	27,603	29,848
Due to primary government	42,059	-	-	2,177	-	-	44,236	44,082
Accrued liabilities	-	26,185	-	-	9,482	17,436	53,103	57,250
Deferred revenue	-	43,804	3,052	-	17,370	6,614	70,840	61,457
Current maturities	-	8,595	-	-	55,711	-	64,306	14,052
Other current liabilities	-	-	16,496	200	-	520	17,216	2,754
Total current liabilities	67,816	120,014	34,533	3,275	85,052	35,890	346,580	252,889
Long Term Liabilities:								
Long term debt:								
Intergovernmental notes payable	-	15,242	-	-	-	-	15,242	9,643
General obligation bonds payable	-	100,361	-	-	499,107	-	599,468	655,873
Loans payable	-	291,687	524,460	-		-	816,147	825,113
Other long term liabilities:								
Capital leases payable	-	-	-	-	2,325	-	2,325	2,400
Deferred revenue	-	344,735	-	-	-	-	344,735	328,794
Total long term liabilities	-	752,025	524,460	-	501,432	-	1,777,917	1,821,823
Total liabilities	**67,816**	**872,039**	**558,993**	**3,275**	**586,484**	**35,890**	**2,124,497**	**2,074,712**
Equity:								
Contributed capital	119,816	397,753	95,361	15,715	-	71,611	700,256	704,825
Retained earnings (deficit)	(103,190)	280,993	204,155	8,878	29,625	18,461	438,922	320,481
Total equity	**16,626**	**678,746**	**299,516**	**24,593**	**29,625**	**90,072**	**1,139,178**	**1,025,306**
Total liabilities and equity	**$ 84,442**	**1,550,785**	**858,509**	**27,868**	**616,109**	**125,962**	**3,263,675**	**3,100,018**

Exhibit F-2

COMPONENT UNITS

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN RETAINED EARNINGS

Year Ended September 30, 1999
With Comparative Totals for Year Ended September 30, 1998
($000s)

	Public Benefit Corporation	Water and Sewer	Convention Center	Sports Commission	Housing Finance	University	Totals 1999	Totals 1998
Operating Revenues:								
Charges for services:								
Public	$ 118,281	198,885	12,170	6,072	-	12,464	347,872	322,575
Intergovernmental	12,344	26,859	-	-		-	39,203	71,457
Primary government	3,659	16,888	-	-	-	6,162	26,709	23,448
Miscellaneous:								
Interest on loans	-	-	-	-	11,569	-	11,569	29,611
Total operating revenues	134,284	242,632	12,170	6,072	11,569	18,626	425,353	447,091
Operating Expenses:								
Personal services	109,734	60,664	9,451	2,867	1,901	46,420	231,037	214,195
Contractual services	24,729	56,017	2,727	1,248	-	10,802	95,523	85,684
Supplies	13,211	11,431	379	38	-	922	25,981	31,883
Occupancy	6,129	21,225	1,618	627	-	2,589	32,188	35,674
Depreciation	5,476	28,227	1,887	947	128	4,395	41,060	41,952
Miscellaneous	-	18,922	579	735	26,325	20,511	67,072	78,346
Total operating expenses	159,279	196,486	16,641	6,462	28,354	85,639	492,861	487,734
OPERATING INCOME (LOSS)	(24,995)	46,146	(4,471)	(390)	(16,785)	(67,013)	(67,508)	(40,643)
Nonoperating Revenues (Expenses):								
Intergovernmental	-	-	(5,450)	-	27,513	8,994	31,057	33,733
Interest revenue	-	13,676	30,715	-	15,232	-	59,623	44,273
Interest expense	-	(18,767)	-	-	(34,828)	(101)	(53,696)	(49,682)
Fiscal charges	-	-	-	-	-	-	-	(2,391)
Miscellaneous	-	(11,812)	-	-	-	4,012	(7,800)	9,084
Total nonoperating revenues	-	(16,903)	25,265	-	7,917	12,905	29,184	35,017
INCOME (LOSS) BEFORE TRANSFERS	(24,995)	29,243	20,794	(390)	(8,868)	(54,108)	(38,324)	(5,626)
Transfers from primary government	46,842	-	51,145	-	-	50,148	148,135	131,377
NET INCOME (LOSS)	**21,847**	**29,243**	**71,939**	**(390)**	**(8,868)**	**(3,960)**	**109,811**	**125,751**
Depreciation closed to Contributed Capital	-	4,235	-	-	-	4,395	8,630	10,058
INCREASE (DECREASE) IN RETAINED EARNINGS	**21,847**	**33,478**	**71,939**	**(390)**	**(8,868)**	**435**	**118,441**	**135,809**
Retained Earnings (Deficit) at October 1	(125,037)	247,515	132,216	9,268	38,493	18,026	320,481	184,672
Retained Earnings (Deficit) at September 30	**$ (103,190)**	**280,993**	**204,155**	**8,878**	**29,625**	**18,461**	**438,922**	**320,481**

Exhibit F-3

COMPONENT UNITS

COMPARATIVE STATEMENT OF CASH FLOWS

Year ended September 30, 1999
With Comparative Totals for Year Ended September 30, 1998
($000s)

	Public Benefit Corporation	Water and Sewer	Convention Center	Sports Commission	Housing Finance	University	Totals 1999	Totals 1998
Operating Activities:								
Cash receipts from customers	$ 94,623	249,221	10,241	5,928	-	2,773	362,786	371,445
Cash receipts from loans and interest	-	-	-	-	25,253	-	25,253	28,566
Other cash receipts	16,003	5,076	-	-	(3,533)	10,174	27,720	33,543
Cash payments to vendors	(42,021)	(70,405)	19,165	(2,651)	(25,327)	(19,665)	(140,904)	(300,986)
Cash payments to employees	(114,557)	(59,671)	(8,648)	(2,814)	(1,901)	(45,691)	(233,282)	(207,202)
Net cash provided (used)	(45,952)	124,221	20,758	463	(5,508)	(52,409)	41,573	(74,634)
Capital and Related Financing Activities:								
Acquisitions of fixed assets	-	(25,725)	(109,570)	(257)	(697)	(1,184)	(137,433)	(83,710)
Proceeds of long term bonds	-	15,242	-	-	-	-	15,242	805,330
Payments of long term debt	(1,044)	(18,646)	-	-	-	-	(19,690)	(159,201)
Payments of interest and charges	-	(17,908)	589	-	-	-	(17,319)	(53,619)
Contributions of capital	-	9,020	-	-	-	840	9,860	3,126
Net cash provided (used)	(1,044)	(38,017)	(108,981)	(257)	(697)	(344)	(149,340)	511,926
Noncapital Financing Activities:								
Operating grant receipts	-	-	(5,450)	-	27,513	8,390	30,453	33,577
Intragovernmental transfers in	46,842	-	51,145	-	-	50,148	148,135	131,377
Proceeds of loans payable	-	-	-	-	138,650	-	138,650	106,795
Payments of loans payable	-	-	-	-	(139,344)	-	(139,344)	(195,958)
Payments of interest and charges	-	-	-	-	(35,804)	(244)	(36,048)	(30,578)
Other long term payments	-	(15,497)	-	-	-	-	(15,497)	8,011
Receipts from other funds	154	7,525	(1,123)	-	(75)	-	6,481	(31,513)
Net cash provided (used)	46,996	(7,972)	44,572	-	(9,060)	58,294	132,830	21,711
Investing Activities:								
Receipts of interest and dividends	-	13,676	30,715	-	15,232	(101)	59,522	44,273
Net cash provided	-	13,676	30,715	-	15,232	(101)	59,522	44,273
INCREASE (DECREASE) IN CASH	-	**91,908**	**(12,936)**	**206**	**(33)**	**5,440**	**84,585**	**503,276**
Cash and Investments at October 1	-	**55,748**	**618,269**	**19,620**	**379,750**	**19,846**	**1,093,233**	**589,957**
Cash and Investments at September 30	$ -	**147,656**	**605,333**	**19,826**	**379,717**	**25,286**	**1,177,818**	**1,093,233**
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:								
Operating income (loss)	$ (24,995)	46,146	(4,471)	(390)	(16,785)	(67,013)	(67,508)	(40,643)
Depreciation	5,476	28,227	1,887	947	128	4,395	41,060	41,952
Miscellaneous nonoperating revenues	-	(11,812)	-	-	-	4,012	(7,800)	9,084
Loss on dispositions of fixed assets	39	6,659	8	-	-	344	7,050	249
Decrease (increase) in assets:								
Receivables	(33,711)	35,392	(1,478)	(166)	(1,163)	(6,902)	(8,028)	(10,670)
Allowances for uncollectibles	10,224	(11,996)	54	22	-	(3,849)	(5,545)	(11,920)
Inventories	1,386	1,180	-	-	-	-	2,566	4,833
Other current assets	(2,302)	55,998	(2,545)	7	(6,681)	397	44,874	(75,698)
Loans receivable	-	-	-	-	14,305	-	14,305	(2,457)
Increase (decrease) in liabilities:								
Payables	(541)	4,957	9,092	39	998	3,239	17,784	(4,172)
Accrued liabilities	-	(25,620)	-	-	-	11,388	(14,232)	20,486
Deferred revenue	(171)	(4,910)	2,040	-	3,690	1,060	1,709	11,050
Other current liabilities	(1,357)	-	16,171	4	-	520	15,338	(16,728)
Net cash provided (used)	(45,952)	124,221	20,758	463	(5,508)	(52,409)	41,573	(74,634)
Noncash contributions of capital	$ -	-	-	-	-	-	-	3,711

SUPPORTING SCHEDULES

Supporting schedules are financial presentations used to aggregate and present in greater detail information spread throughout the financial statements and to present additional information not disclosed in GAAP statements.

Supporting budgetary schedules are presented to demonstrate budgetary compliance with the legally adopted operating budget that includes the General Fund, Enterprise fund, component units, and the administrative costs of the Pension Trust.

Supporting schedules of financial operation and activity, which exclude pension trust funds, are aggregated using the flow of financial resources measurement focus and the accrual basis of accounting. With this measurement focus, all capital asset and debt transactions are presented in the schedules and depreciation of fixed assets is not reported as an expense. General Fund and special revenue fund purchases of equipment are included in functional expenditures. Under the accrual basis of accounting, revenues are presented when earned and expenditures, except accreted interest, are presented when the related liabilities are incurred. The results of operations are reclassified in conformity the GAAP in order to provide a reconciliation with the general purpose financial statements.

A supporting schedule presents the comparative cash flows of the general fund, reconciled to the operating excess (deficiency).

Exhibit G-1

FINANCIAL REPORTING ENTITY

COMBINED SCHEDULE OF BUDGETARY BASIS EXPENDITURES
(Includes PL 105-277 Productivity Savings)

Year Ended September 30, 1999
($000s)

	Budget			
	Original	Revised	Actual	Variance
Government Direction and Support:				
City Council	$ 9,388	9,388	8,735	653
DC Auditor	1,048	1,048	843	205
Advisory Neighborhood Commissions	-	573	269	304
Mayor	2,256	3,661	3,634	27
Executive Secretary	2,146	2,562	2,560	2
Inspector General	7,430	7,731	7,578	153
Communications	350	461	401	60
Intergovernmental Relations	1,271	1,339	1,271	68
City Administrator	926	6,170	5,488	682
Personnel	8,963	9,290	8,539	751
Finance and Resource Management	-	990	772	218
Property Management	9,445	10,437	8,611	1,826
Contracts and Procurement	17,080	16,001	13,870	2,131
Contract Appeals	603	623	592	31
Chief Financial Officer	82,294	82,060	76,043	6,017
Chief Technology Officer	14,924	114,926	125,408	(10,482)
Elections and Ethics	2,954	2,954	2,799	155
Campaign Finance	920	920	885	35
Public Employee Relations	559	559	515	44
Employee Appeals	1,213	1,213	1,159	54
Council of Governments	374	374	374	-
Total government direction and support	**164,144**	**273,280**	**270,346**	**2,934**
Economic Development and Regulation:				
Business Services and Economic Development	18,640	20,166	12,729	7,437
Housing and Community Development	55,509	53,803	50,993	2,810
Zoning	956	1,609	1,448	161
Housing Authority Payment	2,080	2,080	2,041	39
Employment Services	56,804	59,342	52,676	6,666
Appeals and Review	203	203	231	(28)
Real Property Assessment and Appeals	293	293	220	73
Consumer and Regulatory Affairs	24,554	29,054	26,882	2,172
Total economic development and regulation	**159,039**	**166,550**	**147,220**	**19,330**
Public Safety and Justice:				
Police	296,854	288,119	283,131	4,988
Fire and Emergency Medical Services	104,806	106,168	102,891	3,277
Police and Firefighter Retirement Contribution	35,100	35,100	35,100	-
Corporation Counsel	39,835	36,939	32,785	4,154
Payment of Settlements and Judgments	19,700	19,700	19,658	42
Corrections	254,857	245,134	240,679	4,455
National Guard	1,783	1,783	1,700	83
Emergency Preparedness	2,627	3,015	2,473	542
Judicial Disabilities and Tenure	138	138	133	5
Judicial Nomination	86	86	71	15
Total public safety and justice	**755,786**	**736,182**	**718,621**	**17,561**
Public Education System:				
Public Schools	644,805	681,517	666,008	15,509
Public Charter Schools	27,857	27,857	25,239	2,618
Teachers' Retirement Contribution	18,600	18,600	18,600	-
University	58,009	66,987	65,653	1,334
Public Library	23,419	24,139	23,347	792
Arts and Humanities	2,187	2,351	2,217	134
Total public education system	**774,877**	**821,451**	**801,064**	**20,387**

Exhibit G-1

FINANCIAL REPORTING ENTITY

COMBINED SCHEDULE OF BUDGETARY BASIS EXPENDITURES
(Includes PL 105-277 Productivity Savings)

Year Ended September 30, 1999
($000s)

	Budget			
	Original	Revised	Actual	Variance
Human Support Services:				
Human Development	$ 391,416	338,512	335,400	3,112
Health	996,080	984,517	974,491	10,026
Recreation and Parks	24,119	24,468	23,141	1,327
Aging	17,616	19,039	17,276	1,763
Public Benefit Corporation Payment	46,835	46,835	46,835	-
Unemployment Compensation Contribution	10,678	6,183	5,454	729
Employee Disability Compensation	21,089	25,584	25,291	293
Human Rights and Minority Business Opportunity	1,044	1,044	784	260
Latino Affairs	655	655	585	70
Energy	5,219	7,664	5,482	2,182
Total human support services	**1,514,751**	**1,454,501**	**1,434,739**	**19,762**
Public Works:				
Public Works	118,281	125,444	116,933	8,511
Taxicab Commission	716	731	691	40
Department of Motor Vehicles	12,065	17,306	12,725	4,581
Washington Metropolitan Area Transit Commission	81	81	81	-
Washington Metropolitan Area Transit Authority	132,319	132,319	131,604	715
School Transit Subsidy	3,450	3,450	2,785	665
Total public works	**266,912**	**279,331**	**264,819**	**14,512**
Receiverships:				
Medical Receiver	13,300	13,300	12,606	694
Child and Family Services	107,131	128,683	146,233	(17,550)
Commission on Mental Health Services	198,548	198,648	196,543	2,105
Total receiverships	**318,979**	**340,631**	**355,382**	**(14,751)**
Other:				
Washington Convention Center Payment	5,400	5,400	-	5,400
Refunded bonds, interest and fiscal charges	-	-	707,530	(707,530)
Repayment of Bonds and Interest	382,170	371,667	363,194	8,473
Repayment of General Fund Deficit Bonds	38,453	38,453	38,453	-
Interest on Short Term Borrowing	11,000	6,500	6,109	391
Certificates of Participation	7,926	7,929	7,929	-
Human Resource Development	6,674	7,140	5,951	1,189
Financial Responsibility Authority	7,840	5,096	5,096	-
Water and Sewer Authority	239,493	273,314	181,768	91,546
Washington Aqueduct	33,821	-	-	-
Lottery and Games	225,200	225,200	209,525	15,675
Cable Television	2,108	2,108	1,801	307
Public Service Commission	5,026	5,364	4,964	400
People's Counsel	2,501	2,501	2,354	147
Insurance and Securities	7,001	7,001	4,972	2,029
Banking and Financial Institutions	640	664	644	20
Sports Commission	8,751	8,777	2,852	5,925
Public Benefit Corporation Operations	66,764	66,764	103,224	(36,460)
Retirement Board Administration	18,202	18,202	14,157	4,045
Correctional Industries	3,332	3,332	664	2,668
Washington Convention Center Operations	48,139	48,139	127,001	(78,862)
Total other	**1,120,441**	**1,103,551**	**1,788,188**	**(684,637)**
PL 105-277 Productivity Savings	**(10,000)**	**(10,000)**	**-**	**(10,000)**
Total budget	**$ 5,064,929**	**5,165,477**	**5,780,379**	**(614,902)**

Exhibit G-2

FINANCIAL REPORTING ENTITY

COMBINED SCHEDULE OF BUDGETARY BASIS OPERATIONS BY SOURCE OF FUNDS

Year Ended September 30, 1999
($000s)

	Local Source				Federal Grants			
	Original Budget	Revised Budget	Actual	Variance	Original Budget	Revised Budget	Actual	Variance
General Fund:								
Revenues	$ 2,907,422	3,140,021	3,106,746	33,275	1,226,026	1,296,005	1,252,822	43,183
Expenditures and PL 105-277 Productivity Savings	2,863,265	2,886,620	2,876,851	9,769	1,226,026	1,296,005	1,255,218	40,787
Excess (Deficiency)	44,157	253,401	229,895	23,506	-	-	(2,396)	2,396
Water and Sewer Utility:								
Water and Sewer Authority:								
Revenues	-	-	-	-	-	-	-	-
Expenditures	-	-	-	-	-	-	-	-
Excess (Deficiency)	-	-	-	-	-	-	-	-
Washington Aqueduct:								
Revenues	-	-	-	-	-	-	-	-
Expenditures	-	-	-	-	-	-	-	-
Excess (Deficiency)	-	-	-	-	-	-	-	-
Total Water and Sewer Utility:								
Revenues	-	-	-	-	-	-	-	-
Expenditures	-	-	-	-	-	-	-	-
Excess (Deficiency)	-	-	-	-	-	-	-	-
Lottery and Games:								
Revenues	-	-	-	-	-	-	-	-
Expenditures	-	-	-	-	-	-	-	-
Excess (Deficiency)	-	-	-	-	-	-	-	-
Cable Television:								
Revenues	2,108	2,108	1,801	307	-	-	-	-
Expenditures	2,108	2,108	1,801	307	-	-	-	-
Excess (Deficiency)	-	-	-	-	-	-	-	-
Sports Commission:								
Revenues	-	-	-	-	-	-	-	-
Expenditures	-	-	-	-	-	-	-	-
Excess (Deficiency)	-	-	-	-	-	-	-	-
Public Benefit Corp. Operations:								
Revenues	-	-	-	-	-	-	-	-
Expenditures	-	-	-	-	-	-	-	-
Excess (Deficiency)	-	-	-	-	-	-	-	-
Retirement Board Administration:								
Revenues	-	-	-	-	-	-	-	-
Expenditures	-	-	-	-	-	-	-	-
Excess (Deficiency)	-	-	-	-	-	-	-	-
Correctional Industries:								
Revenues	-	-	-	-	-	-	-	-
Expenditures	-	-	-	-	-	-	-	-
Excess (Deficiency)	-	-	-	-	-	-	-	-
Public Service Commission:								
Revenues	-	-	-	-	252	125	75	50
Expenditures	-	-	-	-	252	125	75	50
Excess (Deficiency)	-	-	-	-	-	-	-	-
People's Counsel:								
Revenues	-	-	-	-	-	-	-	-
Expenditures	-	-	-	-	-	-	-	-
Excess (Deficiency)	-	-	-	-	-	-	-	-
Insurance and Securities:								
Revenues	-	-	-	-	-	-	-	-
Expenditures	-	-	-	-	-	-	-	-
Excess (Deficiency)	-	-	-	-	-	-	-	-
Banking and Financial Institutions:								
Revenues	390	390	384	6	-	-	-	-
Expenditures	390	390	384	6	-	-	-	-
Excess (Deficiency)	-	-	-	-	-	-	-	-
Washington Convention Center Operations:								
Revenues	-	-	-	-	-	-	-	-
Expenditures	-	-	-	-	-	-	-	-
Excess (Deficiency)	-	-	-	-	-	-	-	-
Total:								
Revenues	2,909,920	3,142,519	3,108,931	33,588	1,226,278	1,296,130	1,252,897	43,233
Expenditures and PL 105-100 deficit reduction	2,865,763	2,889,118	2,879,036	10,082	1,226,278	1,296,130	1,255,293	40,837
Excess (Deficiency)	$ 44,157	253,401	229,895	23,506	-	-	(2,396)	2,396

	Private and Other				Total			
	Original Budget	Revised Budget	Actual	Variance	Original Budget	Revised Budget	Actual	Variance
General Fund:								
Revenues $	314,660	321,486	991,344	(669,858)	4,448,108	4,757,512	5,350,912	(593,400)
Expenditures and PL 105-100 deficit reduction	314,660	321,486	994,384	(672,898)	4,403,951	4,504,111	5,126,453	(622,342)
Excess (Deficiency)	-	-	(3,040)	3,040	44,157	253,401	224,459	28,942
Water and Sewer Utility:								
Water and Sewer Authority:								
Revenues	239,493	273,314	181,768	91,546	239,493	273,314	181,768	91,546
Expenditures	239,493	273,314	181,768	91,546	239,493	273,314	181,768	91,546
Excess (Deficiency)	-	-	-	-	-	-	-	-
Washington Aqueduct:								
Revenues	33,821	-	-	-	33,821	-	-	-
Expenditures	33,821	-	-	-	33,821	-	-	-
Excess (Deficiency)	-	-	-	-	-	-	-	-
Total Water and Sewer Utility:								
Revenues	273,314	273,314	181,768	91,546	273,314	273,314	181,768	91,546
Expenditures	273,314	273,314	181,768	91,546	273,314	273,314	181,768	91,546
Excess (Deficiency)	-	-	-	-	-	-	-	-
Lottery and Games:								
Revenues	225,200	225,200	209,525	15,675	225,200	225,200	209,525	15,675
Expenditures	225,200	225,200	209,525	15,675	225,200	225,200	209,525	15,675
Excess (Deficiency)	-	-	-	-	-	-	-	-
Cable Television:								
Revenues	-	-	-	-	2,108	2,108	1,801	307
Expenditures	-	-	-	-	2,108	2,108	1,801	307
Excess (Deficiency)	-	-	-	-	-	-	-	-
Sports Commission:								
Revenues	8,751	8,777	2,852	5,925	8,751	8,777	2,852	5,925
Expenditures	8,751	8,777	2,852	5,925	8,751	8,777	2,852	5,925
Excess (Deficiency)	-	-	-	-	-	-	-	-
Public Benefit Corp. Operations:								
Revenues	66,764	66,764	103,224	(36,460)	66,764	66,764	103,224	(36,460)
Expenditures	66,764	66,764	103,224	(36,460)	66,764	66,764	103,224	(36,460)
Excess (Deficiency)	-	-	-	-	-	-	-	-
Retirement Board Administration:								
Revenues	18,202	18,202	14,157	4,045	18,202	18,202	14,157	4,045
Expenditures	18,202	18,202	14,157	4,045	18,202	18,202	14,157	4,045
Excess (Deficiency)	-	-	-	-	-	-	-	-
Correctional Industries:								
Revenues	3,332	3,332	664	2,668	3,332	3,332	664	2,668
Expenditures	3,332	3,332	664	2,668	3,332	3,332	664	2,668
Excess (Deficiency)	-	-	-	-	-	-	-	-
Public Service Commission:								
Revenues	4,774	5,239	4,889	350	5,026	5,364	4,964	400
Expenditures	4,774	5,239	4,889	350	5,026	5,364	4,964	400
Excess (Deficiency)	-	-	-	-	-	-	-	-
People's Counsel:								
Revenues	2,501	2,501	2,354	147	2,501	2,501	2,354	147
Expenditures	2,501	2,501	2,354	147	2,501	2,501	2,354	147
Excess (Deficiency)	-	-	-	-	-	-	-	-
Insurance and Securities:								
Revenues	7,001	7,001	4,972	2,029	7,001	7,001	4,972	2,029
Expenditures	7,001	7,001	4,972	2,029	7,001	7,001	4,972	2,029
Excess (Deficiency)	-	-	-	-	-	-	-	-
Banking and Financial Institutions:								
Revenues	250	274	260	14	640	664	644	20
Expenditures	250	274	260	14	640	664	644	20
Excess (Deficiency)	-	-	-	-	-	-	-	-
Washington Convention Center Operations:								
Revenues	48,139	48,139	127,001	(78,862)	48,139	48,139	127,001	(78,862)
Expenditures	48,139	48,139	127,001	(78,862)	48,139	48,139	127,001	(78,862)
Excess (Deficiency)	-	-	-	-	-	-	-	-
Total:								
Revenues	972,888	980,229	1,643,010	(662,781)	5,109,086	5,418,878	6,004,838	(585,960)
Expenditures and PL 105-100 deficit reduction	972,888	980,229	1,646,050	(665,821)	5,064,929	5,165,477	5,780,379	(614,902)
Excess (Deficiency) $	-	-	(3,040)	3,040	44,157	253,401	224,459	28,942

Exhibit G-3

FINANCIAL REPORTING ENTITY

COMBINED SCHEDULE OF BUDGET REVISIONS

Year Ended September 30, 1999
($000s)

	Local Source					Federal Grants			
	Original Budget	Initial Allocation	Repro-gramming	Other Allocations	Revised Budget	Original Budget	Initial Allocation	Revenue Change	Revised Budget
Revenues and Sources:									
Taxes:									
Property taxes	$ 599,500	-	-	(800)	598,700	-	-	-	-
Sales and use taxes	565,000	-	-	84,700	649,700	-	-	-	-
Income taxes	835,300	-	-	84,600	919,900	-	-	-	-
Other taxes	602,000	-	-	54,400	656,400	-	-	-	-
Total taxes	2,601,800	-	-	222,900	2,824,700	-	-	-	-
Licenses and permits	46,076	-	-	1,727	47,803	-	-	-	-
Fines and forfeits	69,450	-	-	(12,679)	56,771	-	-	-	-
Charges for services	38,745	-	-	(4,882)	33,863	-	-	-	-
Miscellaneous	64,849	-	-	21,958	86,807	-	-	-	-
Intergovernmental	-	3,575	-	-	3,575	1,226,278	-	69,852	1,296,130
Transfers	69,000	-	-	-	69,000	-	-	-	-
Revenue initiatives	20,000	-	-	-	20,000	-	-	-	-
Total revenues and sources	**2,909,920**	**3,575**	**-**	**229,024**	**3,142,519**	**1,226,278**	**-**	**69,852**	**1,296,130**
Expenditures and Uses:									
Governmental direction and support	136,485	1,435	2,744	3,301	143,965	13,955	-	92,968	106,923
Economic development and regulation	45,162	-	-	(156)	45,006	83,365	-	5,105	88,470
Public safety and justice	530,945	3,540	5,000	-	539,485	30,327	-	(12,708)	17,619
Public education system	640,135	11,360	10,000	-	661,495	111,790	-	22,129	133,919
Human support services	614,679	198	-	-	614,877	886,682	-	(58,416)	828,266
Public works	257,242	-	-	(889)	256,353	3,216	-	3,422	6,638
Receiverships	189,154	4,100	-	-	193,254	96,691	-	17,479	114,170
Washington Convention Center payment	5,400	-	-	-	5,400	-	-	-	-
Repayment of bonds and interest	382,170	-	(10,503)	-	371,667	-	-	-	-
Repayment of General Fund deficit bonds	38,453	-	-	-	38,453	-	-	-	-
Interest on short term borrowing	11,000	-	(4,500)	-	6,500	-	-	-	-
Certificates of participation	7,926	-	3	-	7,929	-	-	-	-
Human resource development	6,674	930	-	(464)	7,140	-	-	-	-
Water and Sewer Authority	-	-	-	-	-	-	-	-	-
Washington Aqueduct	-	-	-	-	-	-	-	-	-
Lottery and Games	-	-	-	-	-	-	-	-	-
Cable Television	2,108	-	-	-	2,108	-	-	-	-
Sports Commission	-	-	-	-	-	-	-	-	-
Public Benefit Corporation operations	-	-	-	-	-	-	-	-	-
Retirement Board administration	-	-	-	-	-	-	-	-	-
Correctional Industries	-	-	-	-	-	-	-	-	-
Washington Convention Center operations	-	-	-	-	-	-	-	-	-
Public Service Commission	-	-	-	-	-	252	-	(127)	125
People's Counsel	-	-	-	-	-	-	-	-	-
Insurance and Securities	-	-	-	-	-	-	-	-	-
Banking and Financial Institutions	390	-	-	-	390	-	-	-	-
Financial Responsibility Authority	7,840	-	(2,744)	-	5,096	-	-	-	-
Total expenditures and uses	**2,875,763**	**21,563**	**-**	**1,792**	**2,899,118**	**1,226,278**	**-**	**69,852**	**1,296,130**
Subtotal	34,157	(17,988)	-	227,232	243,401	-	-	-	-
PL 105-277 Productivity Savings	10,000	-	-	-	10,000	-	-	-	-
Excess (Deficiency) of Revenues and Sources Over (Under) Expenditures and Uses	$ **44,157**	**(17,988)**	**-**	**227,232**	**253,401**	**-**	**-**	**-**	**-**

Exhibit G-3

	Private and Other				Total					
	Original Budget	Initial Allocation	Revenue Change	Revised Budget	Original Budget	Initial Allocation	Repro-gramming	Revenue Change	Other Allocations	Revised Budget
Revenues and Sources:										
Taxes:										
Property taxes	$ -	-	-	-	599,500	-	-	-	(800)	598,700
Sales and use taxes	-	-	-	-	565,000	-	-	-	84,700	649,700
Income taxes	-	-	-	-	835,300	-	-	-	84,600	919,900
Other taxes	-	-	-	-	602,000	-	-	-	54,400	656,400
Total taxes	-	-	-	-	2,601,800	-	-	-	222,900	2,824,700
Licenses and permits	-	-	-	-	46,076	-	-	-	1,727	47,803
Fines and forfeits	-	-	-	-	69,450	-	-	-	(12,679)	56,771
Charges for services	-	-	-	-	38,745	-	-	-	(4,882)	33,863
Miscellaneous	972,888	-	7,341	980,229	1,037,737	-	-	7,341	21,958	1,067,036
Intergovernmental	-	-	-	-	1,226,278	3,575	-	69,852	-	1,299,705
Transfers	-	-	-	-	69,000	-	-	-	-	69,000
Revenue initiatives	-	-	-	-	20,000	-	-	-	-	20,000
Total revenues and sources	**972,888**	**-**	**7,341**	**980,229**	**5,109,086**	**3,575**	**-**	**77,193**	**229,024**	**5,418,878**
Expenditures and Uses:										
Governmental direction and support	13,704	-	8,688	22,392	164,144	1,435	2,744	101,656	3,301	273,280
Economic development and regulation	30,512	-	2,562	33,074	159,039	-	-	7,667	(156)	166,550
Public safety and justice	194,514	-	(15,436)	179,078	755,786	3,540	5,000	(28,144)	-	736,182
Public education system	22,952	-	3,085	26,037	774,877	11,360	10,000	25,214	-	821,451
Human support services	13,390	-	(2,032)	11,358	1,514,751	198	-	(60,448)	-	1,454,501
Public works	6,454	-	9,886	16,340	266,912	-	-	13,308	(889)	279,331
Receiverships	33,134	-	73	33,207	318,979	4,100	-	17,552	-	340,631
Washington Convention Center payment	-	-	-	-	5,400	-	-	-	-	5,400
Repayment of bonds and interest	-	-	-	-	382,170	-	(10,503)	-	-	371,667
Repayment of General Fund deficit bonds	-	-	-	-	38,453	-	-	-	-	38,453
Interest on short term borrowing	-	-	-	-	11,000	-	(4,500)	-	-	6,500
Certificates of participation	-	-	-	-	7,926	-	3	-	-	7,929
Human resource development	-	-	-	-	6,674	930	-	-	(464)	7,140
Water and Sewer Authority	239,493	-	33,821	273,314	239,493	-	-	33,821	-	273,314
Washington Aqueduct	33,821	-	(33,821)	-	33,821	-	-	(33,821)	-	-
Lottery and Games	225,200	-	-	225,200	225,200	-	-	-	-	225,200
Cable Television	-	-	-	-	2,108	-	-	-	-	2,108
Sports Commission	8,751	-	26	8,777	8,751	-	-	26	-	8,777
Public Benefit Corporation operations	66,764	-	-	66,764	66,764	-	-	-	-	66,764
Retirement Board administration	18,202	-	-	18,202	18,202	-	-	-	-	18,202
Correctional Industries	3,332	-	-	3,332	3,332	-	-	-	-	3,332
Washington Convention Center operations	48,139	-	-	48,139	48,139	-	-	-	-	48,139
Public Service Commission	4,774	-	465	5,239	5,026	-	-	338	-	5,364
People's Counsel	2,501	-	-	2,501	2,501	-	-	-	-	2,501
Insurance and Securities	7,001	-	-	7,001	7,001	-	-	-	-	7,001
Banking and Financial Institutions	250	-	24	274	640	-	-	24	-	664
Financial Responsibility Authority	-	-	-	-	7,840	-	(2,744)	-	-	5,096
Total expenditures and uses	**972,888**	**-**	**7,341**	**980,229**	**5,074,929**	**21,563**	**-**	**77,193**	**1,792**	**5,175,477**
Subtotal	-	-	-	-	34,157	(17,988)	-	-	227,232	243,401
PL 105-277 Productivity Savings	-	-	-	-	10,000	-	-	-	-	10,000
Excess (Deficiency) of Revenues and Sources Over (Under) Expenditures and Uses	**$ -**	**-**	**-**	**-**	**44,157**	**(17,988)**	**-**	**-**	**227,232**	**253,401**

Exhibit G-4

FINANCIAL REPORTING ENTITY

COMBINING SCHEDULE OF FINANCIAL OPERATION

Year Ended September 30, 1999
With Comparative Totals for Year Ended September 30, 1998
($000s)

	General	Financial Responsibility Authority	Capital Projects	Lottery and Games	Expendable Trust	Public Benefit Corporation	Water and Sewer	Convention Center	Sports Commission	Housing Finance	University	Totals 1999	Totals 1998
Revenues:													
Taxes	$ 2,892,562	-	-	-	90,384	-	-	-	-	-	-	2,982,946	2,906,517
Licenses and permits	48,247	-	-	-	-	-	-	-	-	-	-	48,247	48,123
Fines and forfeits	47,794	-	-	-	-	-	-	-	-	-	-	47,794	53,177
Charges for services	263,565	-	-	85,463	-	134,284	242,632	12,170	6,072	11,569	18,626	774,381	635,646
Benefit contributions	-	-	-	-	11,523	-	-	-	-	-	-	11,523	13,181
Miscellaneous	171,638	209	-	2,418	12,412	-	13,676	25,265	-	15,232	3,911	244,761	244,762
Intergovernmental	1,260,249	-	-	-	-	-	-	-	-	27,513	8,994	1,296,756	1,264,896
Transfers in	64,225	7,012	-	-	-	46,842	-	51,145	-	-	50,148	219,372	251,477
Total revenues	4,748,280	7,221	-	87,881	114,319	181,126	256,308	88,580	6,072	54,314	81,679	5,625,780	5,417,779
Expenditures:													
General direction	329,788	7,221	-	-	-	-	-	-	-	-	-	337,009	182,663
Economic development	161,824	-	-	-	-	-	-	-	-	28,226	-	190,050	206,283
Public safety and justice	759,526	-	-	-	-	-	-	-	-	-	-	759,526	550,876
Public education	737,781	-	-	-	-	-	-	-	-	-	81,244	819,025	739,054
Human support services	1,283,979	-	-	23,347	77,368	153,803	-	14,754	5,515	-	-	1,558,766	2,001,560
Public works	264,334	-	-	-	-	-	168,259	-	-	-	-	432,593	444,648
Receiverships	397,435	-	-	-	-	-	-	-	-	-		397,435	
Interest and charges	198,500	-	-	-	-	-	18,767	-	-	34,828	-	252,095	232,500
Transfers out	199,354	-	-	64,225	-	-	-	-	-	-	-	263,579	317,745
Total expenditures	4,332,521	7,221	-	87,572	77,368	153,803	187,026	14,754	5,515	63,054	81,244	5,010,078	4,675,329
OPERATING EXCESS (DEFICIENCY)	415,759	-	-	309	36,951	27,323	69,282	73,826	557	(8,740)	435	615,702	742,450
Capital Sources (Uses):													
Capital acquisitions	-	-	(356,704)	-	-	(67,453)	-	12,307	-	-	(1,048)	(412,898)	(250,379)
Capital contributions	-	-	164,927	-	-	-	-	-	-	-	-	164,927	114,951
Interest	-	-	2,336	-	-	-	-	-	-	-	-	2,336	2,238
Lease inceptions and asset sales	-	-	25,550	-	-	-	-	-	-	-	-	25,550	197
Bond proceeds	708,612	-	236,876	-	-	-	-	-	-	245,513	-	1,191,001	928,620
Debt payments	(935,847)	-	-	-	-	-	(6,460)	-	-	92,147	-	(850,160)	(761,789)
Other	-	-	90,556	-	-	-	(11,812)	-	-	-	-	78,744	3,991
Total capital sources (uses)	(227,235)	-	163,541	-	-	(67,453)	(18,272)	12,307	-	337,660	(1,048)	199,500	37,829
NET EXCESS (DEFICIENCY)	**188,524**	**-**	**163,541**	**309**	**36,951**	**(40,130)**	**51,010**	**86,133**	**557**	**328,920**	**(613)**	**815,202**	**780,279**
Reclassification to GAAP basis	(102,097)	-	-	(233)	-	61,977	(17,532)	(14,194)	(947)	(337,788)	1,048	(409,766)	(77,887)
INCREASE (DECREASE) IN BALANCES	**86,427**	**-**	**163,541**	**76**	**36,951**	**21,847**	**33,478**	**71,939**	**(390)**	**(8,868)**	**435**	**405,436**	**702,392**
Balances at October 1	112,492	970	223,990	3,152	183,711	(125,037)	247,515	132,216	9,268	38,493	18,026	844,796	142,404
Balances at September 30	**$ 198,919**	**970**	**387,531**	**3,228**	**220,662**	**(103,190)**	**280,993**	**204,155**	**8,878**	**29,625**	**18,461**	**1,250,232**	**844,796**

Exhibit G-5

FINANCIAL REPORTING ENTITY

COMBINED SCHEDULE OF BUDGETARY BASIS EXPENDITURES
(Excludes PL 105-277 Productivity Savings)

Year Ended September 30, 1999
($000s)

	1999					1998		Difference	
	Gross Cost	Related Resources		Net Cost	% of Revenue	Net Cost	% of Revenue	Better or (Worse)	
		District	Federal					Amount	%
General Revenues:									
Sovereign:									
Taxes	$ -	2,892,562	-	2,892,562	87.2 %	$ 2,815,900	85.4 %	$ 76,662	2.7 %
Licenses and permits	-	48,247	-	48,247	1.5	48,123	1.5	124	0.3
Fines and forfeits	-	47,794	-	47,794	1.4	53,177	1.6	(5,383)	(10.1)
Miscellaneous:									
Interest	-	27,795	-	27,795	0.8	32,478	1.0	(4,683)	(14.4)
Other	-	143,843	-	143,843	4.3	148,126	4.5	(4,283)	(2 9)
Intergovernmental:									
Payment in lieu of taxes	-	-	157,968	157,968	4.8	198,000	6.0	(40,032)	(20.2)
Total general revenues	-	3,160,241	157,968	3,318,209	100.0	3,295,804	100.0	22,405	0 7
Cost of Operating:									
Governmental:									
General direction	329,788	16,312	8,436	305,040	9.2	156,570	4.8	148,470	94.8
Economic development	161,824	21,284	77,504	63,036	1.9	66,732	2.0	(3,696)	(5.5)
Public safety and justice	759,526	170,950	15,528	573,048	17.3	531,537	16.1	41,511	7.8
Public education	737,781	1,655	79,920	656,206	19.8	559,394	16 9	96,812	17.3
Human support services	1,283,979	1,810	811,265	470,904	14.1	738,231	22 4	(267,327)	(36.2)
Public works	264,334	21,033	707	242,594	7 2	232,171	7.0	10,423	4.5
Receiverships	397,435	30,521	108,921	257,993	7.8	164,183	5.0	93,810	57.1
Interest and charges	198,500	-	-	198,500	6.0	180,427	5.5	18,073	10.0
Transfers	199,354	64,225	-	135,129	4.1	125,888	3.8	9,241	7.3
Special Revenue:									
General direction	7,221	7,221	-	-	-	-	-	-	-
Enterprise:									
Lottery and games	87,572	87,881	-	(309)	-	(422)	-	113	26.8
Trust:									
Expendable	77,368	114,319	-	(36,951)	(1.1)	(36,872)	(1.1)	(79)	(0.2)
Component Units:									
Public Benefit Corporation	153,803	181,126	-	(27,323)	(0.8)	(25,786)	(0.8)	(1,537)	(6.0)
Water and Sewer	187,026	256,308	-	(69,282)	(2.1)	(79,619)	(2.4)	10,337	13.0
Convention Center	14,754	88,580	-	(73,826)	(2.2)	(43,796)	(1.3)	(30,030)	(68.6)
Sports Commission	5,515	6,072	-	(557)	-	(2.416)	(0 1)	1,859	76.9
Housing Finance	63,054	26,801	27,513	8,740	0.3	(8,084)	(0.2)	16,824	208.1
University	81,244	72,685	8,994	(435)	-	(4,784)	(0.1)	4,349	90.9
Net cost of operating	5,010,078	1,168,783	1,138,788	2,702,507	81.5	2,553,354	77.5	149,153	5.8
CURRENT INCOME	5,010,078	4,329,024	1,296,756	615,702	18.5	742,450	22 5	(126,748)	(17.1)
Cost of Investing (Financing):									
Fixed assets	412,898	106,630	164,927	141,341	4.3	129,002	4.0	12,339	9.6
Long term debt	850,160	1,191,001	-	(340,841)	(10.3)	(166,831)	(5.1)	(174,010)	(104.3)
Net cost of investing	1,263,058	1,297,631	164,927	(199,500)	(6.0)	(37.829)	(1.1)	(161,671)	(427 4)
FINANCIAL FLOW IN	6,273,136	5,626,655	1,461,683	815,202	24.5	780,279	23.6	34,923	4 5
Reclassification to GAAP Basis:									
Employee benefits	(102,097)	-	-	(102,097)	(3.1)	142,224	4.3	(244,321)	(171.8)
Depreciation	(32,663)	-	-	(32,663)	(1.0)	(32,215)	(1.0)	(448)	(1.4)
Fixed assets	56,194	-	-	56,194	1.7	(18,214)	(0.6)	74,408	408.5
Long term debt	(85,687)	245,513	-	(331,200)	(10.0)	(169,682)	(5 1)	(161,518)	(95.2)
Total reclassification	(164,253)	245,513	-	(409,766)	(12.3)	(77,887)	(2.4)	(331,879)	(426.1)
INCREASE (DECREASE) IN BALANCES	**$ 6,437,389**	**5,381,142**	**1,461,683**	**405,436**	**12.2 %**	**$ 702,392**	**21.2 %**	**$ (296,956)**	**(42.3) %**

Exhibit G-6

GENERAL FUND

COMPARATIVE STATEMENTS OF CASH FLOWS

Years ended September 30, 1999 and 1998
($000s)

		1999	1998
Operating Activities:			
Cash receipts from taxes, licenses and fines	$	2,987,010	2,919,095
Cash receipts from payment in lieu of taxes		157,968	198,000
Cash receipts from operating grants		1,159,763	1,003,190
Cash receipts from customers		91,975	139,889
Other cash receipts		144,200	148,483
Cash payments to vendors		(1,317,743)	(1,200,170)
Cash payments to employees		(1,513,118)	(1,430,624)
Cash payments to welfare recipients		(959,932)	(829,410)
Net cash provided		750,123	948,453
Capital and Related Financing Activities:			
Payments of long term debt (1)		(261,534)	(219,435)
Payments of interest and charges (1)		(207,074)	(181,197)
Net cash provided (used)		(468,608)	(400,632)
Noncapital Financing Activities:			
Proceeds of refunding bonds		708,612	476,972
Payments of refunded debt		(658,192)	(431,758)
Payments of refunding charges		(16,121)	(34,765)
Interfund transfers in		64,225	81,300
Interfund transfers out		(51,226)	(103,568)
Transfers to component units		(148,128)	(132,877)
Sale of fixed assets		-	197
Payments of funding interest (1)		(215,552)	(9,477)
Receipts (payments) of interfund loans (1)		36,654	6,774
Receipts (payments) of intergovernmental loans (1)		-	(223,100)
Receipts (payments) of other loans (1)		-	(61,620)
Payments of loan interest (1)		(3,662)	(775)
Net cash provided (used)		(283,390)	(432,697)
Investing Activities:			
Receipts of interest and dividends (1)		27,438	32,121
Net cash provided (used)		27,438	32,121
INCREASE IN CASH		**25,563**	**147,245**
Cash and Investments at October 1		**454,464**	**307,219**
Cash and Investments at September 30	$	**480,027**	**454,464**
Reconciliation of Operating Excess to Net Cash Provided by Operating Activities:			
Excess of revenues over expenditures		187,257	589,348
Adjustments for nonoperating activities (sum of 1s)		623,730	656,709
Decrease (increase) in assets:			
Receivables		(342,532)	33,621
Allowances for uncollectibles		33,015	7,714
Inventories		39,128	19,265
Other current assets		2,305	3,221
Increase (decrease) in liabilities:			
Payables		86,821	(21,219)
Accrued liabilities		93,108	(54,098)
Deferred revenue		(10,721)	22,393
Short term debt - intergovernmental		35,000	(297,100)
Other current liabilities		3,012	(11,401)
Net cash provided	$	750,123	948,453
Noncash contributions of capital	$	-	1,459

Statistical Section

The statistical section contains tables which differ from financial statements because they usually cover more than two fiscal years and may present nonaccounting data.

Statistical tables reflect social and economic data, financial trends and the fiscal capacity of the District.

1999

Government of the District of Columbia
Office of the Chief Financial Officer

Exhibit S-1

GENERAL FUND REVENUES BY SOURCE

Last Ten Fiscal Years
($000s)

Fiscal Year	Taxes	Licenses and Permits	Fines and Forfeits	Charges For Services	Miscel-laneous	Total District Sources	Intergovernmental Payments	Intergovernmental Grants	Total (Exhibit A-2)	Excess (Defi-ciency)
1990	$ 2,279,127	32,285	48,542	139,554	98,431	2,597,939	506,966	575,357	3,680,262	(118,186)
1991	2,371,732	32,997	53,026	148,810	125,323	2,731,888	625,231	628,370	3,985,489	333,159
1992	2,384,300	41,856	51,860	148,723	122,952	2,749,691	643,772	695,616	4,089,079	1,986
1993	2,557,852	44,564	51,845	138,156	112,012	2,904,429	635,930	759,845	4,300,204	7,766
1994	2,470,053	49,098	48,107	137,361	127,628	2,832,247	647,930	960,708	4,440,885	(335,428)
1995	2,391,041	47,583	42,447	120,033	128,008	2,729,112	660,000	951,848	4,340,960	(54,428)
1996	2,517,044	49,400	40,792	108,321	116,080	2,831,637	660,000	960,948	4,452,585	(33,688)
1997	2,577,344	45,490	51,664	87,384	142,648	2,904,530	665,702	906,057	4,476,289	185,892
1998	2,815,900	48,123	53,177	80,128	180,604	3,177,932	198,000	1,033,163	4,409,095	444,849
1999	2,892,562	48,247	47,794	263,565	171,638	3,423,806	157,968	1,102,281	4,684,055	86,427

Source: Office of Tax and Revenue
District of Columbia

Exhibit S-2

GENERAL FUND EXPENDITURES AND USES BY FUNCTION

Last Ten Fiscal Years
($000s)

Fiscal Year	Govern-mental Direction	Economic Develop-ment	Public Safety	Public Education	Human Services	Public Works	Receiverships	Future Employee Benefits	Debt Service	Financing Uses (1)	Total (Exhibit A-2)
1990	$ 153,766	275,225	1,040,924	713,372	1,212,370	287,094	-	(234,595)	254,850	95,442	3,798,448
1991	155,541	289,644	1,043,279	736,652	1,342,828	294,484	-	(273,006)	284,921	(222,013)	3,652,330
1992	142,265	263,003	1,057,508	754,009	1,411,451	289,587	-	(219,517)	340,358	48,429	4,087,093
1993	136,630	285,249	1,067,374	754,104	1,636,871	303,366	-	(295,232)	351,071	53,005	4,292,438
1994	129,601	286,722	1,106,556	796,138	1,874,348	276,964	-	(73,542)	333,413	46,113	4,776,313
1995	131,001	258,514	1,069,910	759,973	1,442,251	253,482	-	75,688	344,895	59,674	4,395,388
1996	157,576	150,743	999,298	714,653	1,734,947	278,161	-	(10,733)	367,704	93,924	4,486,273
1997	153,777	154,754	994,554	667,384	1,602,026	259,490	-	39,773	395,555	23,084	4,290,397
1998	168,292	181,839	550,876	670,205	1,728,752	262,145	-	(142,224)	399,862	144,499	3,964,246
1999	329,788	161,824	759,526	737,781	1,283,979	264,334	397,435	102,097	460,034	100,830	4,597,628

(1) Financing uses in 1991 includes funding bond proceeds of $336,605.

Source: Office of Financial Operations and Systems
District of Columbia

Exhibit S-3

GENERAL FUND TAX REVENUES BY SOURCE

Last Ten Fiscal Years
($000s)

Fiscal	Property			Sales and Use		Income and Franchise		Gross	Other	Total
Year	Real (1)	Personal (2)	Rental (2)	General	Selective	Individual	Business	Receipts	Taxes	(Exhibit S-1)
1990 $	664,591	62,584	9,963	466,557	80,266	637,910	139,741	127,573	89,942	2,279,127
1991	801,876	69,899	10,103	451,582	79,422	615,746	133,279	142,562	67,263	2,371,732
1992	820,892	65,609	16,818	442,496	82,254	620,208	87,877	180,192	67,954	2,384,300
1993	928,322	67,085	16,256	410,068	94,667	589,521	140,998	229,593	81,342	2,557,852
1994	730,641	62,437	17,931	458,555	98,919	650,660	150,208	243,199	57,503	2,470,053
1995	654,284	61,305	14,754	485,651	98,456	643,676	160,679	210,912	61,324	2,391,041
1996	668,749	65,003	12,052	494,427	95,217	689,408	155,623	244,438	92,127	2,517,044
1997	617,694	60,392	9,513	514,635	99,266	753,475	188,093	238,898	95,378	2,577,344
1998	616,935	68,475	10,030	557,081	92,815	861,505	221,597	247,580	139,882	2,815,900
1999	597,566	73,928	8,056	592,718	84,305	952,156	217,595	218,905	147,333	2,892,562

(1) The real property tax year was changed from June 30 to September 30 in 1993. Real property tax revenue increased $172,863 in 1993 because taxes due on September 15, 1993, for the six month period ended December 31, 1993, were applied to the three month period ended December 31, 1993 (D.C. Act 10-32).

(2) The personal property and public space rental tax year is from July 1 to June 30. Taxes are due by July 31. One quarter of the taxes is recognized as revenue in the current fiscal year and three quarters are deferred and recognized as revenue in the following fiscal year.

Source: Office of Tax and Revenue
District of Columbia

Exhibit S-4

GENERAL FUND CURRENT EXPENDITURES BY OBJECT

Last Ten Fiscal Years
($000s)

Fiscal	Salaries	Total	Future	Contractual		Occu-	Miscellaneous		Total	Cumulative Fund
Year	and Wages	Benefits	Benefits	Services	Supplies	pancy	Assistance	Other	(Exhibit A-3)	Balance (Deficit)
1990 $	1,506,719	629,689	(234,595)	305,869	90,864	126,687	569,369	453,553	3,448,155	(331,589)
1991	1,513,993	688,186	(273,006)	336,751	89,953	132,024	640,456	461,065	3,589,422	1,570
1992	1,508,717	681,449	(219,517)	336,723	92,432	147,008	664,671	486,823	3,698,306	3,556
1993	1,475,465	814,241	(295,232)	376,811	93,541	150,762	827,078	445,696	3,888,362	11,322
1994	1,553,733	625,146	(73,542)	408,921	75,797	148,100	1,126,107	532,525	4,396,787	(324,106)
1995	1,450,122	425,490	75,688	380,267	55,134	137,791	1,057,085	409,242	3,990,819	(484,561)
1996	1,385,054	543,752	(10,733)	380,138	71,512	117,997	1,152,238	384,687	4,024,645	(518,249)
1997	1,332,704	471,232	39,773	431,612	57,338	130,632	1,045,642	362,825	3,871,758	(332,357)
1998	1,180,964	381,637	(142,224)	433,108	50,005	123,674	829,410	563,311	3,419,885	112,492
1999	1,296,451	142,784	102,097	620,276	61,133	145,785	959,932	661,008	3,989,466	198,919

Note: The 1995 Balance (Deficit) reflects a restatement made in 1997. Other 1995 and prior amounts have not been restated.

Source: Office of Financial Operations and Systems
District of Columbia

Exhibit S-5

REAL PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years
($000s)

Fiscal Year	Tax Levy	Tax Collections (1)			Percent of Collections to Levy		Delinquent Taxes		
		Current	Delinquent	Total	Current	Total	Addition (Deduction)	Out-standing	Percent to Levy
1990	$ 648,568	624,345	20,744	645,089	96.3 %	99.5 %	1,402	7,770	1.2 %
1991	771,588	752,075	16,357	768,432	97.5	99.6	(638)	10,288	1.3
1992	820,919	796,444	23,111	819,555	97.0	99.8	12,531	24,183	2.9
1993	928,934	867,715	21,523	889,238	93.4	95.7	17,506	81,385	8.8
1994	721,924	657,899	49,589	707,488	91.1	98.0	(31,796)	64,025	8.9
1995	720,331	649,020	43,933	692,953	90.1	96.2	(39,126)	52,277	7.3
1996	700,171	632,181	48,905	681,086	90.3	97.3	(20,898)	50,464	7.2
1997	648,166	606,435	21,002	627,437	93.6	96.8	(22,923)	48,270	7.4
1998	638,569	590,249	30,548	620,797	92.4	97.2	(28,813)	37,229	5.8
1999	637,647	554,064	29,078	583,142	86.9	91.5	(18,448)	73,286	11.5

(1) Approximately 47 percent of real property tax collections are deposited with fiscal agents, such as commercial banks, for payment of matured bonds and interest.

Source: Office of Tax and Revenue
District of Columbia

Exhibit S-6

MAJOR TAX RATES

Last Ten Fiscal Years
($000s)

Fiscal Year	Property (1)					Personal	Sales and Use			Income and Franchise (5)		Gross Receipt
	Real						General	Selective				
	Residential		Commercial					Cigar-ette	Motor Fuel			Public Utility
	Owner-Occupied	Tenant-Occupied	Hotels	Improved	Unim-proved		(2)	(3)	(4)	Indi-vidual	Business	(6)
1990	$ 0.96	1.54	1.85	2.15	3.29	3.10	0.0600	0.17	0.180	.060-.095	0.10500	0.067
1991	0.96	1.54	1.85	2.15	3.29	3.10	0.0600	0.30	0.180	.060-.095	0.10500	0.067
1992	0.96	1.54	1.85	2.15	3.29	3.40	0.0600	0.50	0.200	.060-.095	0.10500	0.097
1993	0.96	1.54	1.85	2.15	5.00	3.40	0.0600	0.65	0.200	.060-.095	0.10250	0.097
1994	0.96	1.54	1.85	2.15	5.00	3.40	0.0575	0.65	0.200	.060-.095	0.10250	0.100
1995	0.96	1.54	1.85	2.15	5.00	3.40	0.0575	0.65	0.200	.060-.095	0.09975	0.100
1996	0.96	1.54	1.85	2.15	5.00	3.40	0.0575	0.65	0.200	.060-.095	0.09975	0.100
1997	0.96	1.54	1.85	2.15	5.00	3.40	0.0575	0.65	0.200	.060-.095	0.09975	0.100
1998	0.96	1.54	1.85	2.15	5.00	3.40	0.0575	0.65	0.200	.060-.095	0.09975	0.100
1999	0.96	1.54	1.85	2.15	5.00	3.40	0.0575	0.65	0.200	.060-.095	0.09975	0.100

Units: (1) Per $100 of assessed value. (2) Per $1 of sales. (3) Per pack. (4) Per gallon. (5) Per $1 of taxable income.
(6) Per $1 of gross receipts

Source: Office of Tax and Revenue
District of Columbia

Exhibit S-7

ASSESSED VALUE, CONSTRUCTION AND BANK DEPOSITS

Last Ten Fiscal Years
($000s)

Fiscal Year	Assessed Value of Property (1) Commercial	Residential (2)	Total Taxable	Tax Exempt	Commercial Construction Number of Units	Commercial Construction Value	Residential Construction Number of Units	Residential Construction Value	Bank Deposits (3)
1990	$ 21,794,217	17,214,433	39,008,650	28,764,776	111	915,113	191	49,440	12,515,450
1991	25,256,291	19,880,777	45,137,068	27,600,164	34	462,237	64	14,321	12,300,530
1992	27,901,550	20,830,365	48,731,915	33,269,958	24	320,900	59	22,201	12,300,529
1993	24,478,683	20,505,958	44,984,641	31,892,428	29	68,470	21	7,967	9,602,051
1994	22,446,880	21,951,120	44,398,000	32,126,502	29	79,754	45	20,509	9,078,000
1995	21,687,105	20,480,012	42,167,117	32,154,883	5	77,467	67	24,815	8,893,414
1996	20,657,057	22,041,463	42,698,520	29,749,392	12	101,717	80	21,399	9,025,183
1997	19,373,225	22,884,675	42,257,900	30,170,470	57	1,003,761	165	91,170	8,865,299
1998	19,726,319	23,461,404	43,187,723	31,517,981	127	343,121	165	35,851	11,083,673
1999	18,734,933	23,710,565	42,445,498	30,620,782	45	362,692	40	6,746	10,903,390

(1) Assessed value is 100 percent of estimated actual value.

(2) After deduction of homestead exemptions and credits against tax.

(3) Source - Federal Deposit Insurance Corporation Data Book.

Source: Office of Tax and Revenue
District of Columbia

n/a Not available

Exhibit S-8

TEN HIGHEST ASSESSED VALUES FOR TAX EXEMPT PROPERTIES

October 1, 1999

Property (1)	Value
George Washington University and Hospital	$ 567,019,136
The International Bank for Reconstruction and Development	418,683,760
Georgetown University and Hospital	410,662,340
Howard University and Hospital	393,738,411
American University	210,659,163
International Finance Corporation	202,505,000
Washington Hospital Center	187,913,700
Inter-American Development Bank	137,681,000
National Cathedral	135,530,986
Catholic University of America	126,657,528

(1) Excludes Federal, District and foreign government property.

Source: Office of Tax and Revenue
District of Columbia

Exhibit S-9

TEN HIGHEST ASSESSED VALUES FOR COMMERCIAL PROPERTIES

October 1, 1999

Squares	Lots	Building		Land	Improvements	Total
163	55	1050 Connecticut Avenue, N.W.	$	59,755,925	116,403,375	176,159,300
254	837	1331 Pennsylvania Avenue, N.W.		77,196,150	82,331,850	159,528,000
106	49	1835 I Street, N.W.		72,344,239	85,566,427	157,910,666
321	27	555 12th Street, N.W.		61,196,128	82,699,700	143,895,828
538	874	300 E Street, N.W.		29,727,672	112,910,328	142,638,000
465	96	400 7th Street N.W.		64,761,675	73,238,325	138,000,000
290	43	555 13th Street, N.W.		47,591,145	89,416,855	137,008,000
224	22	613 15th Street, N.W.		50,333,220	62,737,080	113,070,300
456	865	601 E Street, N.W.		28,231,203	76,768,797	105,000,000
225	33	1401 Pennsylvania Avenue, N.W.		47,660,688	57,109,312	104,770,000

Source: Office of Tax and Revenue
District of Columbia

Exhibit S-10

TEN HIGHEST ASSESSED VALUES FOR RESIDENTIAL PROPERTIES

October 1, 1999

Squares	Lots	Building		Land	Improvements	Total
2630	819	1940 Shepherd Street, N.W.	$	5,928,872	3,038,650	8,967,522
1346	822	Foxhall Road, N.W.		7,062,310		7,062,310
1346	824	Foxhall Road, N.W.		6,056,348	-	6,056,348
1346	823	1801 Foxhall Road, N.W.		5,063,883	909,139	5,973,022
2199	25	2501 30th Street, N.W.		1,021,601	4,285,864	5,307,465
2140	44	2840 Woodland Drive, N.W.		1,767,179	2,957,175	4,724,354
2198	14	2929 Massachusetts Ave, N.W.		1,080,733	3,624,130	4,704,863
1968	812	3640 Alton Place, N.W.		4,345,814		4,345,814
1341	861	2301 Foxhall Road, N.W.		3,826,308	500,000	4,326,308
1285	3	1623 28th Street, N.W.		1,988,311	1,971,873	3,960,184

Source: Office of Tax and Revenue
District of Columbia

Exhibit S-11

COMPUTATION OF LEGAL DEBT LIMITATION

Last Two Fiscal Years
($000s)

Description	Source	1999	1998
Revenues:			
General Fund:			
District Sources	Exhibit S-1	$ 3,423,806	3,177,932
Payment in lieu of taxes	Exhibit S-1	157,968	198,000
Subtotal		3,581,774	3,375,932
Less - court fees	Exhibit A-4	-	338
Total revenues		**$ 3,581,774**	**3,375,594**
Principal and interest:			
General Fund:			
Principal	Exhibit S-13	261,534	219,435
Interest	Exhibit S-13	191,903	171,430
Total principal and interest (current year)		**$ 453,437**	**390,865**
Highest future year debt service cost		**$ 346,992**	**400,504**
Percent of Principal and Interest to Revenues (1)		**12.7%**	**11.6%**

(1) Under the District of Columbia Self-Government and Governmental Reorganization Act, no long term general obligation debt (other than refunding debt) may be issued during any fiscal year in an amount which would cause the amount of the principal and interest paid in any fiscal year on all long term debt to exceed 17 percent of the revenues of the fiscal year in which the debt is issued. The debt service percent is calculated using the highest fiscal year debt service divided by the total revenues. The debt service percent limitation was increased from 14 to 17 percent in fiscal year 1998 as a result of the National Capital Revitalization and Self-Government Improvement Act of 1997, accounting for the decrease in revenues from the repeal of the Federal payment in lieu of taxes and the loss of court revenues.

1998 amounts restated to reflect exclusion of revenue and debt of the Water and Sewer Fund, in accordance with the Home Rule Act Section 603(b)(1).

Source: Office of Tax and Revenue
District of Columbia

Exhibit S-12

PERCENT OF DEBT TO ASSESSED VALUE AND DEBT PER CAPITA

Last Ten Fiscal Years
($000s)

Fiscal Year	General Obligation Debt (Note 5A) (1)			Assessed Value (Exhibit S-7)	Percent of Debt To Assessed Value	Population (Exhibit S-14)	Debt Per Capita (3)
	Enterprise (2)	General	Total				
1990	$ 300,643	2,489,716	2,790,359	39,008,650	7.2%	603,768	4,622
1991	319,292	2,893,265	3,212,557	45,137,068	7.1%	593,820	5,410
1992	313,742	3,026,047	3,339,789	48,731,915	6.9%	584,897	5,710
1993	324,295	3,230,865	3,555,160	44,984,641	7.9%	577,180	6,160
1994	337,760	3,314,312	3,652,072	44,398,000	8.2%	565,796	6,455
1995	323,172	3,157,003	3,480,175	42,167,117	8.3%	552,466	6,299
1996	303,719	2,965,756	3,269,475	42,698,520	7.7%	539,646	6,059
1997	282,100	3,084,763	3,366,863	42,257,900	8.0%	529,895	6,354
1998	114,122	3,091,403	3,205,525	43,187,723	7.4%	523,124	6,128
1999	107,662	3,098,582	3,206,244	42,445,498	7.6%	519,100	6,177

(1) There is no revenue, special assessment or overlapping debt.

(2) A portion of the general obligation debt was incurred for the benefit of the Water and Sewer Enterprise Fund which services that debt as a matter of discretionary financial policy. The fund is not a legal entity and is not a party to the debt instruments.

(3) These amounts are not expressed in thousands.

Source: Office of Budget and Planning
District of Columbia

Exhibit S-13

PERCENT OF DEBT SERVICE TO GENERAL FUND EXPENDITURES

Last Ten Fiscal Years
($000s)

Fiscal Year	Debt Service (Exhibit A-2) Principal	Interest (1)	Fiscal Charges	Total	General Fund Expenditures (Exhibit S-2)	Percent of Debt Service to General Fund Expenditures
1990	$ 84,922	162,050	7,878	254,850	3,798,448	6.7%
1991	97,792	177,452	9,677	284,921	3,652,330	7.8%
1992	128,917	204,181	7,260	340,358	4,087,093	8.3%
1993	151,675	193,641	5,755	351,071	4,292,438	8.2%
1994	139,515	186,878	7,020	333,413	4,776,313	7.0%
1995	157,308	184,510	3,077	344,895	4,395,388	7.8%
1996	191,247	173,807	2,650	367,704	4,486,273	8.2%
1997	207,903	174,085	13,567	395,555	4,290,397	9.2%
1998	219,435	171,430	8,997	399,862	3,964,246	10.1%
1999	261,534	191,903	6,597	460,034	4,597,628	10.0%

(1) Excludes accreted interest on capital appreciation bonds.

Source: Office of Budget and Planning
District of Columbia

Exhibit S-14

DEMOGRAPHIC STATISTICS

Last Ten Fiscal Years

Fiscal Year	Popula-tion (1)	Per Capita Income (2)	Median Age	Hospital Patient Days	Schools Students	Schools Teachers	University Students	University Graduates	Employ-ment	Unemploy-ment Rate
1990	603,768	25,628	33.6	125,035	80,694	6,550	7,222	865	686,200	6.1%
1991	593,820	27,040	33.7	125,385	80,618	6,305	6,901	919	678,800	7.5%
1992	584,897	29,226	33.9	126,898	80,937	6,453	7,007	859	674,500	8.5%
1993	577,180	30,475	34.2	119,130	80,937	6,231	6,590	871	671,500	8.7%
1994	565,796	31,860	34.5	108,160	80,678	6,233	6,476	595	662,000	8.3%
1995	552,466	33,452	34.9	83,219	80,450	6,038	6,518	927	646,900	8.7%
1996	539,646	33,435	n/a	72,778	79,802	5,695	5,863	1,041	633,100	8.7%
1997	529,895	34,932	36.0	68,375	78,648	5,062	4,754	961	612,700	7.7%
1998	523,124	36,248	36.3	62,683	77,111	5,482	5,284	692	611,000	8.5%
1999	519,100	38,721	37.2	65,695	71,899	5,267	5,181	576	616,400	6.1%

(1) Source: Federal Bureau of the Census

(2) Source: Federal Department of Commerce, Bureau of Economic Analysis

n/a Not available

Exhibit S-15

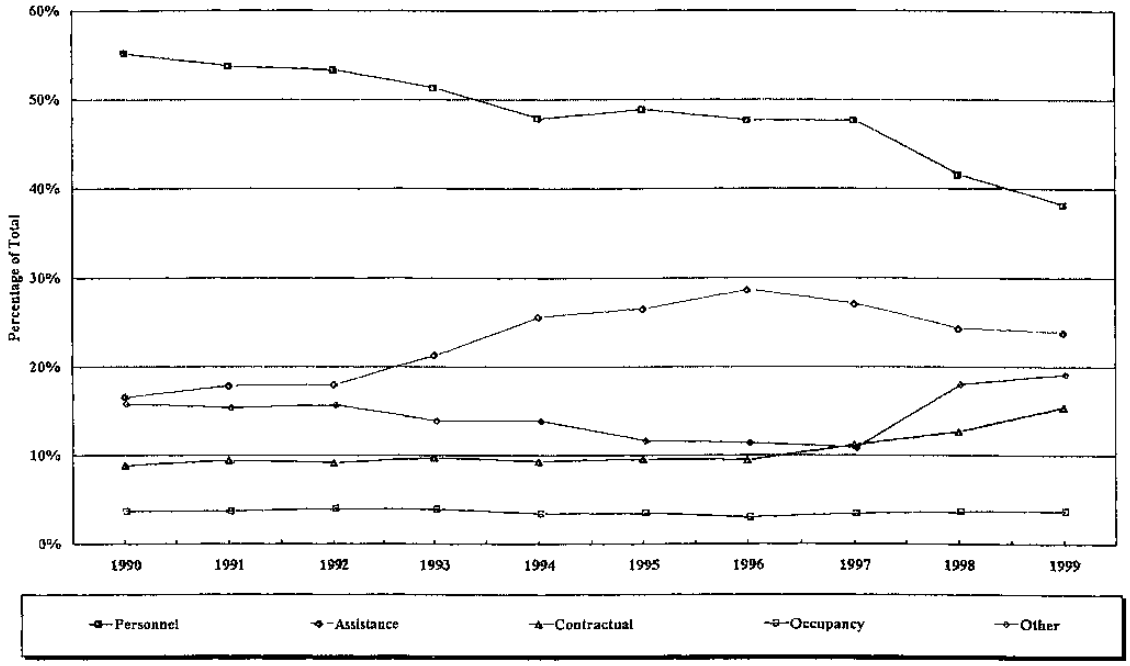
MISCELLANEOUS STATISTICS

Last Two Fiscal Years

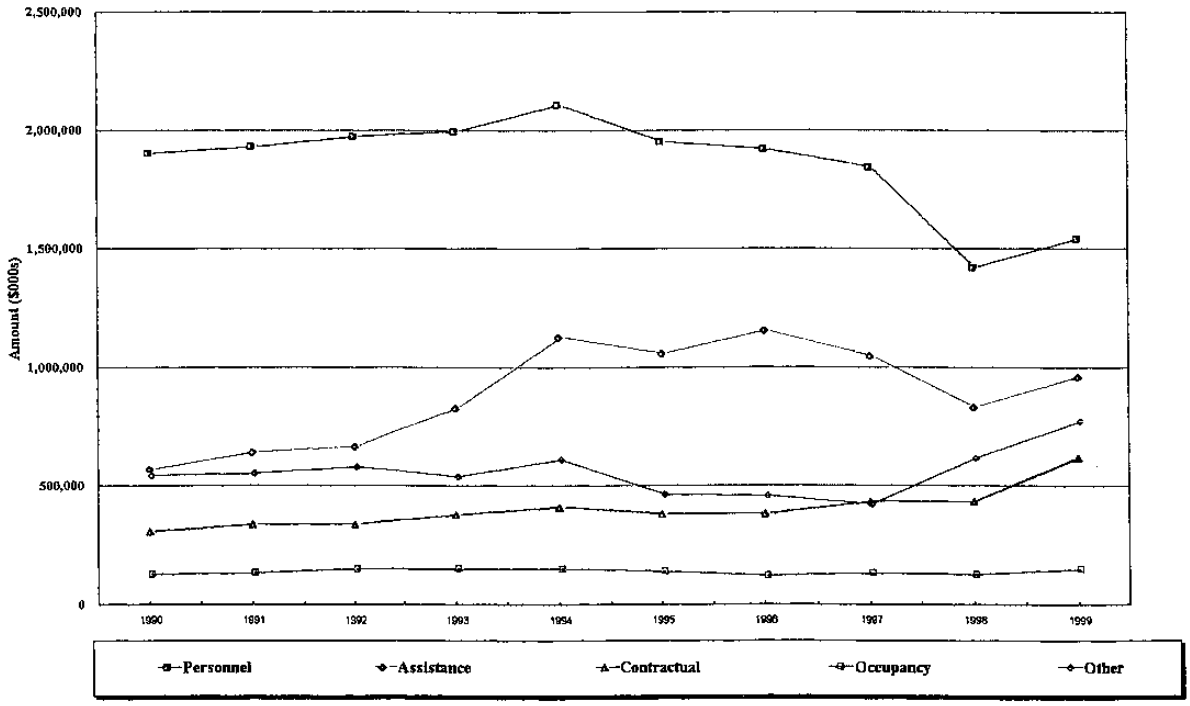
Description	1999	1998
Area (square miles):		
Federal and foreign governments	22.9	22.9
District government	2.4	2.4
Streets and alleys	16.7	16.7
Taxable base	19.9	19.9
Total area	61.9	61.9
Employees (authorized, permanent, full-time):		
Governmental direction and support	2,187	1,700
Economic development and regulation	1,014	584
Public safety and justice	8,548	8,738
Public education system	8,495	8,636
Human support services	3,086	3,224
Public works	1,235	2,225
Total employees	24,565	25,107
Police Protection:		
Number of stations including satellites	11	10
Number of police officers	3,484	3,537
Crime index offenses	42,671	48,819
Fire Protection:		
Number of stations	33	33
Number of fire fighters	1,179	1,206
Transportation:		
Number of street lights	66,507	66,429
Number of traffic signalized intersections	1,510	1,504
Number of motor vehicle registrations (1/1-12/31)	237,832	270,242
Number of operator licenses issued (1/1-12/31)	120,755	102,095
Water:		
Number of consumers	130,000	130,920
Average daily consumption (in millions of gallons)	139	133
Miles of mains	1,300	1,300
Sewers:		
Miles of mains	1,800	1,800
Daily maximum capacity (in millions of gallons)	740	740
Economic:		
Taxable retail sales (in millions)	$7,730	$6,892
Unemployment claims accepted	22,440	28,202
Unemployment claims rejected	7,475	8,412
Recreation:		
Number of centers and playgrounds	77	77
Number of day camps	3	3
Number of outdoor swimming pools	35	34
Number of indoor swimming pools	6	7
Libraries:		
Number of main and branch buildings	22	22
Number of community and kiosk facilities	5	5
Number of volumes	2,562,452	2,562,452
Education:		
Number of public schools	149	149

Source: Office of Tax and Revenue
District of Columbia

GENERAL FUND EXPENDITURES
Last Ten Fiscal Years



GENERAL FUND EXPENDITURES
Last Ten Fiscal Years



African American Civil War Memorial
Photo by E. David Luria

Photo provided by Mayor's Office of Communications